

A - General Government

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	24,541,400	24,541,400	24,541,400	17,469,800	17,469,800	17,469,800	20,065,100	20,065,100	20,065,100
General Fund	545,389,700	544,889,700	544,889,700	558,336,900	546,222,600	550,266,300	596,805,500	592,451,000	618,517,500
Restricted Funds	125,679,400	123,923,300	123,923,300	127,752,100	131,142,600	131,392,600	130,556,800	129,501,000	132,843,000
Federal Funds	265,750,400	265,750,400	265,750,400	226,224,800	225,524,800	225,524,800	222,295,900	221,595,900	221,595,900
Road Fund	600,000	600,000	600,000	250,000	600,000	600,000	250,000	600,000	600,000
Regular Total Funds	961,960,900	959,704,800	959,704,800	930,033,600	920,959,800	925,253,500	969,973,300	964,213,000	993,621,500
Use of Continuing	(20,425,000)	(20,425,000)	(20,425,000)	6,796,500	10,288,500	6,796,500	12,508,700	19,492,700	12,508,700
TOTAL FUNDS	941,535,900	939,279,800	939,279,800	936,830,100	931,248,300	932,050,000	982,482,000	983,705,700	1,006,130,200

II. EXPENDITURE CATEGORY

Personnel Costs	243,232,900	243,232,900	243,232,900	235,912,900	231,529,700	232,639,400	242,590,200	237,955,900	239,552,400
Operating Expenses	64,151,700	64,151,700	64,151,700	59,992,000	60,167,000	60,217,000	60,669,200	60,844,200	60,894,200
Grants, Loans, Benefits	534,660,800	534,160,800	534,160,800	527,740,400	518,780,800	521,830,800	551,205,100	547,730,100	549,730,100
Debt Service	92,212,700	92,212,700	92,212,700	108,504,900	111,970,900	108,562,900	123,402,600	132,560,600	151,338,600
Capital Outlay	1,092,000	1,092,000	1,092,000	1,179,900	1,179,900	1,179,900	1,114,900	1,114,900	1,114,900
Construction	6,185,800	4,429,700	4,429,700	3,500,000	7,620,000	7,620,000	3,500,000	3,500,000	3,500,000
TOTAL EXPENDITURES	941,535,900	939,279,800	939,279,800	936,830,100	931,248,300	932,050,000	982,482,000	983,705,700	1,006,130,200

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	24,541,400	24,541,400	24,541,400	17,469,800	13,977,800	17,469,800	18,195,000	11,211,000	18,195,000
General Fund	544,788,700	544,788,700	544,788,700	506,275,300	508,216,600	508,911,300	511,124,100	507,062,600	509,354,100
Restricted Funds	122,648,300	122,648,300	122,648,300	122,497,400	122,497,400	122,497,400	123,976,100	123,976,100	123,976,100
Federal Funds	265,624,300	265,624,300	265,624,300	212,782,200	212,082,200	212,082,200	213,206,100	212,506,100	212,506,100
Road Fund	600,000	600,000	600,000	250,000	600,000	600,000	250,000	600,000	600,000
Regular Total Funds	958,202,700	958,202,700	958,202,700	859,274,700	857,374,000	861,560,700	866,751,300	855,355,800	864,631,300
Use of Continuing	(20,425,000)	(20,425,000)	(20,425,000)	6,796,500	10,288,500	6,796,500	12,508,700	19,492,700	12,508,700
TOTAL BASE LEVEL	937,777,700	937,777,700	937,777,700	866,071,200	867,662,500	868,357,200	879,260,000	874,848,500	877,140,000

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund (Tobacco)					3,492,000		1,870,100	8,854,100	1,870,100
General Fund	601,000	101,000	101,000	52,061,600	38,006,000	41,355,000	85,681,400	85,388,400	109,163,400
Restricted Funds	3,031,100	1,275,000	1,275,000	5,254,700	8,645,200	8,895,200	6,580,700	5,524,900	8,866,900
Federal Funds	126,100	126,100	126,100	13,442,600	13,442,600	13,442,600	9,089,800	9,089,800	9,089,800
TOTAL ADDITIONAL	3,758,200	1,502,100	1,502,100	70,758,900	63,585,800	63,692,800	103,222,000	108,857,200	128,990,200

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				1,595,000	1,195,000	21,845,800	3,050,000	2,650,000	11,103,000
Restricted Funds				23,375,000	27,495,000	27,475,000	3,700,000	3,700,000	3,200,000
Federal Funds				59,125,000	59,125,000	59,125,000	17,900,000	17,900,000	17,900,000
Bond Funds				338,366,000	422,000,000	525,415,000			
Agency Bonds				5,000,000		33,200,000			
Capital Construction Surplus				431,000	431,000	431,000	141,000	141,000	141,000
Investment Income				1,960,000	1,960,000	1,960,000	1,960,000	1,960,000	1,960,000
Emergency Repair Maintenance and Replacement					500,000				
TOTAL CAPITAL				429,852,000	512,706,000	669,451,800	26,751,000	26,351,000	34,304,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Office of the Governor

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	9,492,700	9,492,700	9,492,700	9,734,400	9,734,400	9,734,400	9,816,100	9,816,100	9,816,100
Restricted Funds	1,094,600	1,094,600	1,094,600	388,200	388,200	388,200	388,200	388,200	388,200
Regular Total Funds	10,587,300	10,587,300	10,587,300	10,122,600	10,122,600	10,122,600	10,204,300	10,204,300	10,204,300
Use of Continuing									
TOTAL FUNDS	10,587,300	10,587,300	10,587,300	10,122,600	10,122,600	10,122,600	10,204,300	10,204,300	10,204,300
II. EXPENDITURE CATEGORY									
Personnel Costs	7,138,200	7,138,200	7,138,200	6,678,200	6,678,200	6,678,200	6,680,200	6,680,200	6,680,200
Operating Expenses	1,550,000	1,550,000	1,550,000	1,513,600	1,513,600	1,513,600	1,511,600	1,511,600	1,511,600
Grants, Loans, Benefits	1,699,100	1,699,100	1,699,100	1,930,800	1,930,800	1,930,800	2,012,500	2,012,500	2,012,500
Capital Outlay	200,000	200,000	200,000						
TOTAL EXPENDITURES	10,587,300	10,587,300	10,587,300	10,122,600	10,122,600	10,122,600	10,204,300	10,204,300	10,204,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	9,492,700	9,492,700	9,492,700	9,502,700	9,502,700	9,502,700	9,502,700	9,502,700	9,502,700
Restricted Funds	1,094,600	1,094,600	1,094,600	388,200	388,200	388,200	388,200	388,200	388,200
Regular Total Funds	10,587,300	10,587,300	10,587,300	9,890,900	9,890,900	9,890,900	9,890,900	9,890,900	9,890,900
Use of Continuing									
TOTAL BASE LEVEL	10,587,300	10,587,300	10,587,300	9,890,900	9,890,900	9,890,900	9,890,900	9,890,900	9,890,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				231,700	231,700	231,700	313,400	313,400	313,400
TOTAL ADDITIONAL				231,700	231,700	231,700	313,400	313,400	313,400
V. ADDITIONAL BUDGET ITEMS									
1 CONT Governors Scholars									
ABRGOVA0006 Provide additional funding for the Governors Scholars Program									
General Fund				231,700	231,700	231,700	313,400	313,400	313,400
Project Total				231,700	231,700	231,700	313,400	313,400	313,400
TOTAL ADDITIONAL				231,700	231,700	231,700	313,400	313,400	313,400

TRANSFERS TO THE GENERAL FUND**Office of the Governor**

Agency Revenue Fund	5,600	5,600	5,600
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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Office of the Governor

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Other Special Revenue	25,200	25,200	25,200						
Fund									
TOTAL	30,800	30,800	30,800						

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Office of the Governor

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Office the Governor, Restricted Funds of \$5,600 in fiscal year 2005-2006, and a transfer from Other Special Revenue Fund of \$25,200 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Housing Allowance for the Lieutenant Governor: Included in the above General Fund appropriation for the Office of the Governor and Lieutenant Governor's Office, is \$2,500 monthly to include \$1,000 as a housing allowance and \$1,500 if additional duties are performed."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides additional General Fund support of \$231,700 in fiscal year 2006-2007, and \$313,400 in fiscal year 2007-2008 for the Governor's Scholars Program.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Governor's Scholars Program: Included in the above General Fund appropriation is \$2,180,100 in fiscal year 2006-2007 and \$2,297,800 in fiscal year 2007-2008 for the Governor's Scholars Program."

"Employees of Governor's Scholars Program, Inc.: For the purposes of salary and fringe benefits, employees of Governor's Scholars Program, Inc. shall be considered state employees."

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Office of the Governor

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate modifies Part I, Operating Budget, language provision as follows:

"Housing Allowance for the Lieutenant Governor: Included in the above General Fund appropriation for the Office of the Governor and Lieutenant Governor's Office, is \$2,500 monthly as a housing allowance."

CONFERENCE REPORT

The Conference concurs with the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Office of State Budget Director

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400
Restricted Funds	437,000	437,000	437,000	80,600	80,600	80,600	136,800	136,800	136,800
Regular Total Funds	4,870,400	4,870,400	4,870,400	4,514,000	4,514,000	4,514,000	4,570,200	4,570,200	4,570,200
Use of Continuing									
TOTAL FUNDS	4,870,400	4,870,400	4,870,400	4,514,000	4,514,000	4,514,000	4,570,200	4,570,200	4,570,200
II. EXPENDITURE CATEGORY									
Personnel Costs	3,830,800	3,830,800	3,830,800	3,742,000	3,742,000	3,742,000	3,818,700	3,818,700	3,818,700
Operating Expenses	1,039,600	1,039,600	1,039,600	772,000	772,000	772,000	751,500	751,500	751,500
TOTAL EXPENDITURES	4,870,400	4,870,400	4,870,400	4,514,000	4,514,000	4,514,000	4,570,200	4,570,200	4,570,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400	4,433,400
Restricted Funds	437,000	437,000	437,000	80,600	80,600	80,600	136,800	136,800	136,800
Regular Total Funds	4,870,400	4,870,400	4,870,400	4,514,000	4,514,000	4,514,000	4,570,200	4,570,200	4,570,200
Use of Continuing									
TOTAL BASE LEVEL	4,870,400	4,870,400	4,870,400	4,514,000	4,514,000	4,514,000	4,570,200	4,570,200	4,570,200
TRANSFERS TO THE GENERAL FUND									
Office of State Budget Director									
Agency Revenue Fund	75,400	75,400	75,400						
TOTAL	75,400	75,400	75,400						

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Office of the State Budget Director

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Office of the State Budget Director, Restricted Funds of \$75,400 in fiscal year 2005-2006.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

State Planning Fund

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	125,000	125,000	125,000	500,000	250,000	250,000	100,000	250,000	250,000
Regular Total Funds	125,000	125,000	125,000	500,000	250,000	250,000	100,000	250,000	250,000
Use of Continuing									
TOTAL FUNDS	125,000	125,000	125,000	500,000	250,000	250,000	100,000	250,000	250,000
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	125,000	125,000	125,000	500,000	250,000	250,000	100,000	250,000	250,000
TOTAL EXPENDITURES	125,000	125,000	125,000	500,000	250,000	250,000	100,000	250,000	250,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	125,000	125,000	125,000	125,000	125,000	125,000	100,000	100,000	100,000
Regular Total Funds	125,000	125,000	125,000	125,000	125,000	125,000	100,000	100,000	100,000
Use of Continuing									
TOTAL BASE LEVEL	125,000	125,000	125,000	125,000	125,000	125,000	100,000	100,000	100,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				375,000	125,000	125,000		150,000	150,000
TOTAL ADDITIONAL				375,000	125,000	125,000		150,000	150,000
V. ADDITIONAL BUDGET ITEMS									
1 GB State Planning Fund									
ABR765B0001 Provide increased funding.									
General Fund				375,000	125,000	125,000		150,000	150,000
Project Total				375,000	125,000	125,000		150,000	150,000
TOTAL ADDITIONAL				375,000	125,000	125,000		150,000	150,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

State Planning Fund

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Use of State Planning Fund: Included in the above appropriation is an allocation from the State Planning Fund to conduct a comprehensive review of the Kentucky Employees Retirement System and the Kentucky Teachers' Retirement System. This study may include but is not limited to the long-term financial stability of the system, employer and employee contribution rates, investment performance, and allowable investment alternatives, statutory and contractual pension and medical benefit structures, administrative regulations, and policies of the systems."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$400,000 in fiscal year 2007-2008.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to revise the following language provision:

"Use of State Planning Fund: Included in the above appropriation is an amount from the State Planning Fund to conduct a comprehensive review of the Kentucky Employees Retirement System and the Kentucky Teachers' Retirement System. The study may include but is not limited to the long-term financial stability of the system, the amount and growth of the system's unfunded liabilities, and the causes for the current unfunded liabilities; investment performance and allowable investment alternatives; employee and employer contribution rates; statutory and contractual pension and medical benefit structures; and the effect of the pension fund's financial condition on the overall current and future financial condition of the Commonwealth. The Executive Branch may employ consultants and/or actuaries to conduct this review. Consultants and/or actuaries employed for this purpose shall not have previously

**Fiscal Biennium 2006-2008
Budget Modification Report**

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State Planning Fund

been employed by either retirement system, the executive branch, or the legislative branch in a similar capacity. A progress report shall be provided no later than October 31, 2006, and a final report shall be provided no later than November 15, 2006."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides General Fund support totaling \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008.

The Senate deletes a Part I, Operating Budget, language provision relating to "Use of State Planning Fund".

CONFERENCE REPORT

The Conference concurs with the Senate.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Homeland Security

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	350,000	350,000	350,000		350,000	350,000		350,000	350,000
Restricted Funds	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000
Federal Funds	40,000,000	40,000,000	40,000,000	40,700,000	40,000,000	40,000,000	40,700,000	40,000,000	40,000,000
Road Fund	350,000	350,000	350,000		350,000	350,000		350,000	350,000
Regular Total Funds	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000
Use of Continuing									
TOTAL FUNDS	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000
II. EXPENDITURE CATEGORY									
Personnel Costs	1,954,100	1,954,100	1,954,100	1,969,900	1,969,900	1,969,900	1,990,700	1,990,700	1,990,700
Operating Expenses	631,300	631,300	631,300	656,300	656,300	656,300	656,300	656,300	656,300
Grants, Loans, Benefits	38,554,600	38,554,600	38,554,600	38,513,800	38,513,800	38,513,800	38,493,000	38,493,000	38,493,000
TOTAL EXPENDITURES	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000	41,140,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	350,000	350,000	350,000		350,000	350,000		350,000	350,000
Restricted Funds	440,000	440,000	440,000	361,100	361,100	361,100	359,000	359,000	359,000
Federal Funds	40,000,000	40,000,000	40,000,000	40,390,800	39,690,800	39,690,800	40,372,100	39,672,100	39,672,100
Road Fund	350,000	350,000	350,000		350,000	350,000		350,000	350,000
Regular Total Funds	41,140,000	41,140,000	41,140,000	40,751,900	40,751,900	40,751,900	40,731,100	40,731,100	40,731,100
Use of Continuing									
TOTAL BASE LEVEL	41,140,000	41,140,000	41,140,000	40,751,900	40,751,900	40,751,900	40,731,100	40,731,100	40,731,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				78,900	78,900	78,900	81,000	81,000	81,000
Federal Funds				309,200	309,200	309,200	327,900	327,900	327,900
TOTAL ADDITIONAL				388,100	388,100	388,100	408,900	408,900	408,900
V. ADDITIONAL BUDGET ITEMS									
1 GB Homeland Security									
ABR0940002 Provide funding for five (5) vacant positions.									
Federal Funds				309,200	309,200	309,200	327,900	327,900	327,900
Project Total				309,200	309,200	309,200	327,900	327,900	327,900

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Homeland Security

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2 NEW Homeland Security - CMRS								
ABR0940005 Provide funding for one (1) GIS position.								
Restricted Funds			53,900	53,900	53,900	56,000	56,000	56,000
Project Total			53,900	53,900	53,900	56,000	56,000	56,000
3 NEW Homeland Security - CMRS								
ABR0940007 Provide funding to purchase computer equipment and training to support the new position.								
Restricted Funds			25,000	25,000	25,000	25,000	25,000	25,000
Project Total			25,000	25,000	25,000	25,000	25,000	25,000
TOTAL ADDITIONAL			388,100	388,100	388,100	408,900	408,900	408,900

TRANSFERS TO THE GENERAL FUND

Homeland Security

Agency Revenue Fund	351,400	351,400
TOTAL	351,400	351,400

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Homeland Security

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Commercial Mobile Radio Service Emergency Telecommunications Board located in the Office of Homeland Security, Restricted Funds of \$351,400 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes funding in the base for the defined calculations. Additional funding for other initiatives also provided for in the base includes Federal Funds for five (5) vacant positions in the Office of Homeland Security in the amount of \$309,200 in fiscal year 2006-2007, and \$327,900 in fiscal year 2007-2008. Also included are Restricted Funds for the Commercial Mobile Radio Service Emergency Telecommunications Board (CMRS) for one (1) Geoprocessing Specialist in the amount of \$53,900 in fiscal year 2006-2007, and \$56,000 in fiscal year 2007-2008, and to purchase Geographical Information Systems testing equipment in the amount of \$25,000 in fiscal year 2006-2007, and \$25,000 in fiscal year 2007-2008.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide General Fund support totaling \$350,000 and Road Fund support totaling \$350,000 in each fiscal year. The House provides \$700,000 in Federal Funds in each year to support agency operations.

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfer, and does not provide for a \$351,400 Restricted Fund transfer to the General Fund in fiscal year 2005-2006 for the Commercial Mobil Radio Service Emergency Telecommunications Board of Kentucky.

The House amends the State/Executive Branch Bill, Part I, Operating Budget, to include the following language provisions:

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"Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky - Public Safety Answering Points:

Notwithstanding KRS 65.7631, not more than ten percent of the total monthly revenues deposited into the CMRS Fund shall be disbursed or reserved for disbursement by the CMRS Board to provide direct grants to Public Safety Answering Points (PSAPs) or matching money. The CMRS Board shall provide grants for the establishment and improvement of E911 services in the Commonwealth; for incentives to create more efficient delivery of E911 services by local governments; and for improvement of 911 infrastructure by wireless carriers. Notwithstanding KRS 65.7631(2) and (3), after the above ten percent and the disbursement in KRS 65.7631(1), 80 percent of the balance of funds deposited into the CMRS fund shall be distributed to PSAPs eligible to receive disbursement from the fund according to KRS 65.7631(2)(a) and (b) and the balance distributed pursuant to KRS 65.7631(3)."

"Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky - Enhanced Landline 911 Services:

Six million dollars of the state and local portion of funds distributed by the Kentucky Office of Homeland Security to qualified local and state entities shall be designated for use by the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky in federal fiscal year 2006-2007 and federal fiscal year 2007-2008. These funds shall be available to the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky for the awarding of grants for enhanced landline 911 services to counties where the service is currently not deployed. Counties interested in receiving funds from this account shall make application to the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky for available funds. As a condition for grant receipt, the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky may require the applying county to adopt a 911 ordinance, with a minimum monthly fee charged to customers. The listed applications meeting the established guidelines as set forth in the FY 2007 Homeland Security Grant Program Guidance and Application Kit issued by the United States Department of Homeland Security and deemed qualified and permissible by federal regulations, shall receive funding. These qualified applications receiving priority shall be paid from the state allocation rather than from the total funding allocation provided to Kentucky by the United States Department of Homeland Security. Funding for approved applications shall carry forward into the state fiscal year 2007-2008, if drawdowns are delayed due to the specific allocation of funds or the expenditure of such funds."

"Monthly Reporting Requirements: The Kentucky Office of Homeland Security shall report monthly to the Interim Joint Committee on Appropriations and Revenue all approved applications for Homeland Security grants. The report shall include information regarding the types of grants, requesting entities, amounts requested and approved, and detailed descriptions of the grants. The Office of Homeland Security shall also provide a listing of disapproved applications that includes the amounts requested and reasons for denying the applications."

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Homeland Security

"Grant Recipient Reporting Requirements: All local government entities and state agencies that receive any grant funding for homeland security purposes from federal grants shall report to the Office of Homeland Security on July 1 of each year. This report shall include information regarding the types of grants, requesting entities, amounts requested and approved, and detailed descriptions of the grants. The Kentucky Office of Homeland Security shall compile and present the information in its annual report along with the grants that are approved for funding by the Office. This annual report shall be submitted to the Legislative Research Commission prior to January 1 of each year."

"Homeland Security Grants - Priority Listing: The Kentucky Office of Homeland Security shall set aside from the statewide and local portion of funds distributed to qualified local and state entities, \$9,917,107 for the local share and \$1,715,000 for the statewide share in federal fiscal year 2006-2007 and federal fiscal year 2007-2008 to be dedicated to the applicants listed below. Those listed applicants meeting the established guidelines as set forth in the FY 2007 and FY 2008 Homeland Security Grant Program Guidance and Application Kit, issued by the United States Department of Homeland Security and permissible by federal regulations, shall take priority in receiving funds over other approved applicants not identified in the list below. Qualified applications receiving priority shall be paid from the state allocation rather than from the total allocation provided to Kentucky by the United States Department of Homeland Security. Funding for approved applications shall carry forward into the state fiscal year 2007-2008 and state fiscal year 2008-2009, if drawdowns are delayed due to the specific allocation of funds or the expenditure of such funds.

LOCAL SHARE

Bath County

Bath County Fiscal Court

Personal Protective Equipment

Bell County

Bell County Fiscal Court Dispatch Console and Frequency Repeaters

Bourbon County

City of Paris

Other Authorized Equipment

Bourbon County Fiscal Court

Physical Security Enhancement Equipment

Boyd County

Ashland Fire Department

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Homeland Security

Explosive Device Mitigation and Remediation Equipment
Boyd County Sheriff's Office
 CBRNE Incident Response Vehicle
Ashland Police Department
 CBRNE Incident Response Vehicle
Ashland Fire Department
 Information Technology
Boyd County Fiscal Court
Boyd County Board of Education
Boyd County High School
Boyd County Middle School
Cannonsburg Elementary School
Catlettsburg Elementary School
Ponderosa Elementary School
Summit Elementary School
 Medical Supplies and Limited Types of Pharmaceuticals
 Physical Security Enhancement Equipment
 Detection Equipment
 Terrorism Incident Prevention Equipment

Bracken County

Bracken County Fiscal Court
 CBRNE Operational and Search and Rescue Equipment
Brooksville Volunteer Fire Department
 CBRNE Operational and Search and Rescue Equipment
 Power Equipment
Augusta Volunteer Fire Department
 CBRNE Operational and Search and Rescue Equipment
 Power Equipment
Germantown Volunteer Fire Department
 CBRNE Operational and Search and Rescue Equipment
 Power Equipment

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Homeland Security

Breckinridge County

Hardinsburg Fire Department

Personal Protective Equipment

Harned Fire Department

Personal Protective Equipment

Irvington Fire Department

Personal Protective Equipment

Cloverport Fire Department

Personal Protective Equipment

Cloverport (Area) Fire Department

Personal Protective Equipment

McQuady Fire Department

Personal Protective Equipment

McDaniels Fire Department

Personal Protective Equipment

Custer Fire Department

Personal Protective Equipment

Stephensport Fire Department

Personal Protective Equipment

Webster Fire Department

Personal Protective Equipment

Bullitt County

Southeast Bullitt Fire and Rescue

Personal Protective Equipment

Caldwell County

City of Princeton

Detection Equipment-Non CBRNE

Information Technology

Interoperable Communications Equipment

City of Fredonia

Detection Equipment-Non CBRNE

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Homeland Security

Information Technology
Interoperable Communications Equipment

Clark County

Clark County Fiscal Court
Information Technology
Clark County Fiscal Court
Physical Security Enhancement Equipment

Crittenden County

Crittenden County Fiscal Court
Information Technology
Interoperable Communications Equipment
City of Marion
Information Technology
Interoperable Communications Equipment

Elliott County

Elliott County Fiscal Court
Elliott County Board of Education
Elliott County High School
Isonville Elementary School
Lakeside Elementary School
Sandy Hook Elementary School
Medical Supplies and Limited Types of Pharmaceuticals
Physical Security Enhancement Equipment
Detection Equipment
Terrorism Incident Prevention Equipment

Fayette County

Fayette County Urban Police Department
Interoperable Communications Equipment

Fleming County

Fleming County Fiscal Court
CBRNE Operational and Search and Rescue Equipment

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Homeland Security

- Ewing Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Muses Mill Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Hillsboro Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Mount Carmel Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Flemingsburg Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Tilton Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment

Floyd County

- Floyd County Fiscal Court
- Left Beaver Fire and Rescue
 - Interoperable Communications Equipment
- Prestonsburg Fire Department
 - Interoperable Communications Equipment
- Martin Police Department
 - Interoperable Communications Equipment

Gallatin County

- Gallatin County Fiscal Court
- Gallatin County Sheriff's Office
 - Interoperable Communications Equipment
 - Information Technology

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Homeland Security

Garrard County

- Garrard County Fiscal Court
- Garrard County Fire Department (District 1)
- Garrard County Sheriff's Office
- Cartersville Fire Department
- Paint Lick Fire Department
- Buckeye Fire Department
- Camp Dick Fire Department
- Lancaster City Police Department
 - Personal Protective Equipment
 - Interoperable Communications Equipment

Grant County

- Grant County Fiscal Court
- Grant County Sheriff's Office
 - Interoperable Communications Equipment

Graves County

- Graves County Schools
 - Medical Supplies and Limited Types of Pharmaceuticals
- Graves County Fiscal Court
 - Interoperable Communications Equipment
- Graves County Fiscal Court
 - Power Equipment
- Graves County Fiscal Court
 - CBRNE Incident Response Vehicle

Green County

- Green County Fiscal Court
 - Personal Protective Equipment

Greenup County

- Greenup County Fiscal Court
 - Personal Protective Equipment
 - Interoperable Communications Equipment

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Homeland Security

Physical Security Enhancement Equipment
CBRNE Incident Response Vehicles

City of Worthington

Physical Security Enhancement Equipment

City of Greenup

Personal Protective Equipment

City of Flatwoods

Personal Protective Equipment

City of Raceland

Personal Protective Equipment

City of South Shore

Physical Security Enhancement Equipment

City of Wurtland

Physical Security Enhancement Equipment

Hancock County

Lewisport Fire Department

Personal Protective Equipment

Hawesville Fire Department

Personal Protective Equipment

South Hancock Fire Department

Personal Protective Equipment

Dukes Fire Department

Personal Protective Equipment

Hancock Rescue Squad

Personal Protective Equipment

Knottsville Fire Department

Personal Protective Equipment

Yelvington Fire Department

Personal Protective Equipment

Hardin County

Lebanon Junction Fire Department

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Homeland Security

Personal Protective Equipment
Hardin County Sheriff's Office and Fire Departments
Interoperable Communications Equipment

Harlan County

Harlan County Fiscal Court
Interoperable Communications Equipment
CBRNE Incident Response Vehicles
CBRNE Operational and Search and Rescue Equipment
Harlan County Sheriff's Office
Harlan County Volunteer Fire Department
Operational Equipment

Harrison County

Harrison County Fiscal Court
Information Technology
Terrorism Incident Prevention Equipment
Cynthiana Police Department
Physical Security Enhancement Equipment
Information Technology

Henderson County

Henderson Fiscal Court
Information Technology
Interoperable Communications Equipment
Physical Security Enhancement Equipment
City of Henderson
Power Equipment
CBRNE Operational and Search and Rescue Equipment
Interoperable Communications Equipment
Personal Protective Equipment
Explosive Device Mitigation and Remediation Equipment
Information Technology

Henry County

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Homeland Security

Henry County
CBRNE Incident Response Vehicle

Jackson County

Owsley County Fiscal Court
Detection Equipment-Non CBRNE

Jefferson County

Louisville Metro Police Department
CBRNE Operational and Search and Rescue Equipment
Terrorism Incident Prevention Equipment
Detection Equipment

Jessamine County

Jessamine County Fiscal Court
Jessamine County Board of Education
East Jessamine High School
West Jessamine High School
East Jessamine Middle School
West Jessamine Middle School
Jessamine County Career and Technical School
Warner Elementary School
Nicholasville Elementary School
Brookside Elementary School
Rosenwald Elementary School
Wilmore Elementary School
Jessamine County Central Office
Medical Supplies and Limited Types of Pharmaceuticals
Physical Security Enhancement Equipment
Detection Equipment
Terrorism Incident Prevention Equipment
Jessamine County Fiscal Court
Wilmore Police Department
Jessamine County Fire Department

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Homeland Security

- Power Equipment
- Other Authorized Equipment
- Personal Protective Equipment
- Explosive Device Mitigation and Remediation Equipment

Johnson County

- Johnson County Fiscal Court
 - Personal Protective Equipment
- Johnson County Fiscal Court
 - CBRNE Operational and Search and Rescue Equipment
- Johnson County Fiscal Court
 - Decontamination Equipment
- Johnson County Fiscal Court
 - Power Equipment
- Johnson County Fiscal Court
 - Interoperable Communications Equipment

Kenton County

- City of Covington
 - CBRNE Prevention and Response Watercraft
- Kenton County Fiscal Court
 - Power Equipment
 - CBRNE Incident Response Vehicle
 - Personal Protective Equipment
 - Information Technology
- City of Edgewood
 - Physical Security Enhancement Equipment
 - Interoperable Communications Equipment

Knott County

- Knott County Fiscal Court
- Knott County Board of Education
- Beaver Creek Elementary School
- Carr Creek Elementary School

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Homeland Security

Cordia School
Emmalena School
Hindman Elementary School
Jones Fork Elementary School
Knott County Central
 Physical Security Enhancement Equipment
 Detection Equipment
 Terrorism Incident Prevention Equipment
 Medical Supplies and Limited Types of Pharmaceuticals

Knox County

Knox County Fiscal Court
 Agricultural Terrorism Prevention, Response, and Mitigation Equipment

Laurel County

Laurel County Fiscal Court
 Detection Equipment-Non CBRNE

Lawrence County

Lawrence County Fiscal Court
Lawrence County Board of Education
Lawrence County High School
Louisa Middle School
New Middle School
Louisa Elementary School
Blaine Elementary School
Fallisburg Elementary School
 Physical Security Enhancement Equipment
 Detection Equipment
 Terrorism Incident Prevention Equipment
 Medical Supplies and Limited Types of Pharmaceuticals

Leslie County

Leslie County Fiscal Court
 Interoperable Communications Equipment

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Homeland Security

Livingston County

- Livingston County Fiscal Court
 - Information Technology
 - Interoperable Communications Equipment

Lyon County

- Lyon County Fiscal Court
 - CBRNE Incident Response Vehicle
 - Power Equipment
 - CBRNE Logistical Support Equipment
 - CBRNE Operational and Search and Rescue Equipment
 - Medical Equipment

Madison County

- Madison County Fiscal Court
- Red Lick Fire Department
- Waco Fire Department
- Kirksville Fire Department
 - Personal Protective Equipment
 - Interoperable Communications Equipment
- Madison County Fiscal Court
- Madison County Board of Education
- Madison Central High School
- Madison Southern High School
- Clark Moores Middle School
- Foley Middle School
- Madison Middle School
- Bellevue Elementary School
- Daniel Boone Elementary School
- Kingston Elementary School
- Kirksville Elementary School
- Kit Carson Elementary School
- Mayfield Elementary School

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Homeland Security

- Silver Creek Elementary School
- Waco Elementary School
- White Hall Elementary School
- Shannon Johnson Elementary School
 - Medical Supplies and Limited Types of Pharmaceuticals
 - Physical Security Enhancement Equipment
 - Detection Equipment
 - Terrorism Incident Prevention Equipment

Magoffin County

- Magoffin County Fiscal Court
- Magoffin County High School
- Harold Whittaker Middle School
 - Physical Security Enhancement Equipment

Marshall County

- Marshall County Fiscal Court
 - CBRNE Incident Response Vehicle
 - Power Equipment
 - CBRNE Logistical Support Equipment
 - CBRNE Operational and Search and Rescue Equipment

Martin County

- Martin County Fiscal Court
- Martin County Fire Department
 - Personal Protective Equipment

Mason County

- Mason County Fiscal Court
 - CBRNE Operational and Search and Rescue Equipment
- May's Lick Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Dover Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment

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Homeland Security

- Power Equipment
- Fern Leaf Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Sardis Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Washington/Maysville Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Orangeburg Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Lewisburg Volunteer Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Maysville Fire Department
 - CBRNE Operational and Search and Rescue Equipment
 - Power Equipment
- Area Regional (Region 8) HazMat and WMD Response Team - Maysville
 - CBRNE Incident Response Vehicle
 - Personal Protective Equipment
 - Medical Supplies and Limited Types of Pharmaceuticals
 - Personal Protective Equipment

McCracken County

- McCracken County/City of Paducah
 - Information Technology
 - Interoperable Communications Equipment

McCreary County

- McCreary County Fiscal Court
 - Physical Security Enhancement Equipment

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Homeland Security

Agricultural Terrorism Prevention, Response and Mitigation Equipment

Menifee County

- Menifee County Board of Education
- Menifee County High School
- Menifee County Middle School
- Botts Elementary School
- Menifee County Elementary School
 - Medical Supplies and Limited Types of Pharmaceuticals
 - Physical Security Enhancement Equipment
 - Detection Equipment
 - Terrorism Incident Prevention Equipment
- Menifee County Sheriff's Department
 - CBRNE Incident Response Vehicle
- Menifee County Fiscal Court
 - Power Equipment
 - Physical Security Enhancement Equipment
 - CBRNE Incident Response Vehicles

Metcalf County

- Metcalf County Fiscal Court
 - Personal Protective Equipment

Monroe County

- Monroe County Fiscal Court
 - Personal Protective Equipment

Montgomery County

- City of Mount Sterling
 - Agricultural Terrorism Prevention, Response and Mitigation Equipment
 - Information Technology
 - Physical Security Enhancement Equipment

Morgan County

- Morgan County Board of Education
- Morgan County High School

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Homeland Security

- Morgan County Middle School
- Cannel City Elementary School
- East Valley Elementary School
- Ezel Elementary School
- West Liberty Elementary School
- Wrigley Elementary School
- Medical Supplies and Limited Types of Pharmaceuticals
- Physical Security Enhancement Equipment
- Detection Equipment
- Terrorism Incident Prevention Equipment

Muhlenberg County

- Muhlenberg County Board of Education
- Physical Security Enhancement Equipment
- Medical Supplies and Limited Types of Pharmaceuticals
- City of Greenville
- Personal Protective Equipment
- Medical Supplies and Limited Types of Pharmaceuticals
- Interoperable Communications Equipment

Nicholas County

- Nicholas County Fiscal Court
- Personal Protective Equipment

Owen County

- Owen County Fiscal Court
- CBRNE Incident Response Vehicles
- Interoperable Communications Equipment
- Information Technology
- Physical Security Enhancement Equipment

Owsley County

- Owsley County Fiscal Court
- Detection Equipment-Non CBRNE

Pike County

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Homeland Security

- City of Pikeville
 - Personal Protective Equipment
- Pike County Fiscal Court
 - Personal Protective Equipment
 - CBRNE Incident Response Vehicles
- City of Elkhorn City
 - Personal Protective Equipment
- Pike County Fire Department
 - Personal Protective Equipment
 - Operational Equipment

Pulaski County

- Pulaski County Emergency Management Service
 - Interoperable Communications Equipment
- Pulaski County Emergency Management Services
 - CBRNE Operational and Search and Rescue Equipment

Rowan County

- Rowan County Fiscal Court
- Rowan County Board of Education
- Rowan County High School
- Rowan County Middle School
- Clearfield Elementary School
- Morehead Grade School
- Rodburn Elementary School
- Tilden Hogge Elementary School
 - Medical Supplies and Limited Types of Pharmaceuticals
 - Physical Security Enhancement Equipment
 - Detection Equipment
 - Terrorism Incident Prevention Equipment

Union County

- Morganfield Rescue Squad
 - CBRNE Incident Response Vehicles

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Budget Modification Report

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Homeland Security

Warren County

Warren County Fiscal Court
Warren County Board of Education
Greenwood High School
Warren East High School
Drakes Creek Middle School
Moss Middle School
Warren East Middle School
New Alvaton Elementary School
Dishman McGinnis Elementary School
Parker Bennett Curry Elementary School
T. C. Cherry Elementary School
W. R. McNeill Elementary School
Potter Gray Elementary School
Bristow Elementary School
Cumberland Trace Elementary School
Lost River Elementary School
Natcher Elementary School
North Warren Elementary School
Oakland Elementary School
Richardsville Elementary School
Rich Pond Elementary School
Rockfield Elementary School
Warren Elementary School
Briarwood Elementary School
Medical Supplies and Limited Types of Pharmaceuticals
Physical Security Enhancement Equipment
Detection Equipment
Terrorism Incident Prevention Equipment

Whitley County

Whitley County Fire Department

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Homeland Security

- Other Authorized Equipment
- Whitley County Fiscal Court
 - CBRNE Incident Response Vehicles
 - Physical Security Enhancement Equipment
 - Agricultural Terrorism Prevention, Response and Mitigation Equipment
- Whitley County Fiscal Court
- Oak Grove Volunteer Fire Department
- Woodbine Volunteer Fire Department
- Three Point Volunteer Fire Department
- Rockholds Volunteer Fire Department
- Emlyn Volunteer Fire Department
- Pleasant View Volunteer Fire Department
- South Whitley Volunteer Fire Department
- Patterson Volunteer Fire Department
 - Personal Protective Equipment
 - Interoperable Communications Equipment

Wolfe County

- Wolfe County Board of Education
- Wolfe County High School
- Wolfe County Middle School
- Campton Elementary School
- Red River Valley Elementary School
- Rogers Elementary School
 - Medical Supplies and Limited Types of Pharmaceuticals
 - Physical Security Enhancement Equipment
 - Detection Equipment
 - Terrorism Incident Prevention Equipment

STATEWIDE SHARE

- Kentucky State University

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Homeland Security

Agricultural Terrorism Prevention, Response and Mitigation Equipment
Detection Equipment
Western Kentucky University - Statewide Meteorological Warning System
Operational Search and Rescue Equipment
Information Technology
Northern Kentucky University - Disaster Business Recovery Systems
Power Equipment
Information Technology
Communications Equipment
Logistical Support Equipment
University of Kentucky - Technology Systems Emergency Backup
Information Technology
Power Equipment"

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky - Public Safety Answering Points", "Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky - Enhanced Landline 911 Services", "Monthly Reporting Requirements", "Grant Recipient Reporting Requirements", "Homeland Security Grants - Priority Listing".

The Senate modifies Part I, Operating Budget, and adds a language provision as follows:

"Reviewing of Applications : The Kentucky Office of Homeland Security shall consult with Local Area Development Districts and local government entities while reviewing applications to determine qualified grant recipients. Special emphasis shall be placed on those applications that assist First Responders."

The Senate adds in Part I, Operating Budget, General Fund support totaling \$350,000 in each year and \$350,000 in Road Fund in each year for administrative operations of the agency.

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Homeland Security

The Senate deletes in Part I, Operating Budget, Federal Fund support totaling \$700,000 in fiscal year 2006-2007 and \$700,000 in fiscal year 2007-2008.

The Senate amends Part V, Funds Transfer, to include a \$351,400 transfer of Restricted Funds to the General Fund.

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference amends Part I, Operating Budget, language provisions as follows:

"Reviewing of Applications: The Kentucky Office of Homeland Security shall consult with Local Area Development Districts and local government entities while reviewing applications to determine qualified grant recipients."

"Statewide Annual Report: The Kentucky Office of Homeland Security shall prepare an annual report that identifies the state homeland security priorities based on National Homeland Security Priorities and shall include:

a. An assessment of the Commonwealth's preparedness to respond to acts of war or terrorism, including nuclear, biological, chemical, electromagnetic pulse, agricultural, ecological, or cyber terrorism;

b. Identify the priority of needs, areas of improvement, and the overall progress made with regard to the Commonwealth's preparedness; and

c. Provide a record of all federal homeland security funding, including grants of all federal homeland security funding distributed in Kentucky since the last annual written report, as well as any other relevant homeland security funding information gathered by the Kentucky Office of Homeland Security. The record shall identify, at a minimum, the specific federal source, the amount, the specific recipient, the intended use of the funding, the actual use of the funding, and any unspent amount.

The report shall be approved by the Homeland Security Interagency Working Group. The Homeland Security Interagency Working Group shall include the chair of the Senate Committee on Veterans, Military Affairs, and Public Protection, the chair of the House Committee on Seniors, Military Affairs, and Public Safety, a state agency representative, and a private agency representative.

The annual report shall be submitted to the Legislative Research Commission by October 25 of each year for a public hearing to be conducted by a joint meeting of the Senate Committee on Veterans, Military Affairs, and Public Protection and the House Committee on Seniors, Military Affairs, and Public Safety for the purpose of receiving comments on the statewide report and critique of the criteria established for determining the award of homeland security funds. The Executive Director of the Kentucky Office of Homeland Security shall report all findings of fact or any other reports or recommendations presented at the public hearing to the

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Homeland Security

Homeland Security Working Group."

"Grant Recipient Report: The Kentucky Office of Homeland Security shall, within 15 days of the final award of grants, report the list of recipients to the Legislative Research Commission."

"Application Background Data: The Kentucky Office of Homeland Security shall, upon request of the Commission, make available to the Commission all grant applications submitted to the office, score sheets, and procedures for funding."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Department of Veterans Affairs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	16,579,800	16,579,800	16,579,800	15,352,200	15,227,200	15,436,200	16,501,700	16,286,700	16,669,700
Restricted Funds	23,917,900	22,161,800	22,161,800	24,713,700	24,713,700	24,713,700	24,905,700	24,905,700	24,905,700
Regular Total Funds	40,497,700	38,741,600	38,741,600	40,065,900	39,940,900	40,149,900	41,407,400	41,192,400	41,575,400
Use of Continuing									
TOTAL FUNDS	40,497,700	38,741,600	38,741,600	40,065,900	39,940,900	40,149,900	41,407,400	41,192,400	41,575,400
II. EXPENDITURE CATEGORY									
Personnel Costs	32,082,800	32,082,800	32,082,800	33,680,400	33,555,400	33,645,400	34,914,300	34,699,300	34,879,300
Operating Expenses	5,981,600	5,981,600	5,981,600	6,255,500	6,255,500	6,255,500	6,363,100	6,363,100	6,363,100
Grants, Loans, Benefits	117,500	117,500	117,500	100,000	100,000	135,000	100,000	100,000	135,000
Debt Service						84,000			168,000
Capital Outlay	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Construction	2,285,800	529,700	529,700						
TOTAL EXPENDITURES	40,497,700	38,741,600	38,741,600	40,065,900	39,940,900	40,149,900	41,407,400	41,192,400	41,575,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	16,579,800	16,579,800	16,579,800	14,814,500	14,814,500	14,814,500	15,477,100	15,477,100	15,477,100
Restricted Funds	22,161,800	22,161,800	22,161,800	24,696,300	24,696,300	24,696,300	24,810,300	24,810,300	24,810,300
Regular Total Funds	38,741,600	38,741,600	38,741,600	39,510,800	39,510,800	39,510,800	40,287,400	40,287,400	40,287,400
Use of Continuing									
TOTAL BASE LEVEL	38,741,600	38,741,600	38,741,600	39,510,800	39,510,800	39,510,800	40,287,400	40,287,400	40,287,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				537,700	412,700	621,700	1,024,600	809,600	1,192,600
Restricted Funds	1,756,100			17,400	17,400	17,400	95,400	95,400	95,400
TOTAL ADDITIONAL	1,756,100			555,100	430,100	639,100	1,120,000	905,000	1,288,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Department of Veterans Affairs - Cemeteries								
ABR0740002	Provide funding to support nine (9) positions and operating expenses for the Veterans Cemetery Central.								
General Fund				130,300	130,300	130,300	359,300	359,300	359,300
Restricted Funds				17,400	17,400	17,400	78,000	78,000	78,000
Project Total				147,700	147,700	147,700	437,300	437,300	437,300

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Department of Veterans Affairs

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	NEW	Department of Veterans Affairs - Cemeteries								
ABR0740003		Provide funding to support one (1) position in FY 07 and nine (9) positions in FY 08 along with the needed operating costs for the Veterans Cemetery North.								
General Fund					32,400	32,400	32,400	136,500	136,500	136,500
Restricted Funds								17,400	17,400	17,400
Project Total					32,400	32,400	32,400	153,900	153,900	153,900
3	EXPAN	Department of Veterans Affairs								
ABR0740004		Provide funding to support the operating expenses of the Leestown Homeless Veterans Transition Facility.								
General Fund					50,000	50,000	50,000	50,000	50,000	50,000
Project Total					50,000	50,000	50,000	50,000	50,000	50,000
4	NEW	Department of Veterans Affairs - Cemeteries								
ABR0740008		Provide funding to support one (1) position and operating costs in FY 08 for the Cemetery in Greenup County (Northeast).								
General Fund								63,800	63,800	63,800
Project Total								63,800	63,800	63,800
5	GB	Department of Veterans Affairs								
ABR0740005		Provide additional funding for stipends to volunteer organizations that perform honor guard burial services.								
General Fund					35,000		35,000	35,000		35,000
Project Total					35,000		35,000	35,000		35,000
6	CONT	Department of Veterans Affairs - Commissioners Office								
ABR0740017		Restoration of two (2) vacant positions in fiscal year 2006-2007 and four (4) vacant positions in fiscal year 2007-2008 in the Commissioners Office.								
General Fund					90,000		90,000	180,000		180,000
Project Total					90,000		90,000	180,000		180,000
7	CONT	Department of Veterans Affairs - Cemeteries								
ABR0740019		Provide operating funding for continued maintenance of the grounds and equipment in the Cemeteries Branch.								
General Fund					200,000	200,000	200,000	200,000	200,000	200,000
Project Total					200,000	200,000	200,000	200,000	200,000	200,000
8	NEW	Veterans Affairs								
ABR0740021		Provide funding for debt service on the Western Kentucky Veterans Center Alzheimers/General Care Unit								
General Fund							84,000			168,000
Project Total							84,000			168,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Department of Veterans Affairs

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
9	CONT Department of Veterans Affairs - Western Kentucky Veterans Center									
ABR0740020	Provide funding to support a federal fund match to expand the Alzheimers/General Care unit at the Western Kentucky Veterans Center.									
Restricted Funds		1,756,100								
Project Total		1,756,100								
TOTAL ADDITIONAL		1,756,100			555,100	430,100	639,100	1,120,000	905,000	1,288,000

TRANSFERS TO THE GENERAL FUND

Department of Veterans Affairs

Agency Revenue Fund	1,756,100	1,756,100
TOTAL	1,756,100	1,756,100

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Veterans' Affairs

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Veterans' Affairs, Restricted Funds of \$1,756,100 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that directs:

"Weekend and Holiday Premium Pay Incentive: The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the 2006-2008 fiscal biennium."

"Congressional Medal of Honor Recipients - Travel and Per Diem: The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky."

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes new funding initiatives, above the base and defined calculations, to provide additional funds in fiscal year 2006-2007 in General Fund dollars in the amount of \$130,300 and Restricted Funds in the amount of \$17,400 and in fiscal year 2007-2008 in General Fund dollars in the amount of \$359,300 and Restricted Funds in the amount of \$78,000 for nine (9) positions and operating funds for the Kentucky Veterans Cemetery Central located in Hardin County. Additional funds are also provided in fiscal year 2006-2007 in General Fund dollars in the amount of \$32,400 for one (1) position and in fiscal year 2007-2008 General Fund dollars in the amount of \$136,500 and Restricted Funds in the amount of \$17,400 to hire nine (9) positions and operating for the Kentucky Veterans Cemetery North located in Grant County.

HOUSE REPORT

The House concurs with the Branch with the following changes:

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Veterans' Affairs

The House provides General Fund support totaling \$375,000 in fiscal year 2006-2007 and \$528,800 in fiscal year 2007-2008 to fund personnel and operating expenses. The House also provides Restricted Funds of \$1,765,100 in fiscal year 2005-2006 to support a federal fund match to expand the Alzheimer's/General Care Unit at the Western Kentucky Veterans' Center.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

"Western Kentucky Veterans' Center: Included in the above Restricted Funds appropriation is \$1,756,100 for matching funds in fiscal year 2005-2006 to expand the Alzheimer's/General Care Unit at the Western Kentucky Veterans' Center."

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, and does not provide a transfer of \$1,756,100 in fiscal year 2005-2006 to the General Fund.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to provide \$395,000 in fiscal year 2006-2007 and deletes \$200,000 in fiscal year 2007-2008 of General Fund dollars to construct the State Veterans' Cemetery in Northeast Kentucky (Greenup County). The House also provides General Fund in the amount of \$200,000 and Federal Funds of \$6,000,000 in fiscal year 2007-2008 to construct the State Veterans' Cemetery in Southeast Kentucky (Leslie County).

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning the "Western Kentucky Veterans' Center".

The Senate deletes in Part I, Operating Budget, General Fund support totaling \$125,000 in fiscal year 2006-2007 and \$215,000 in fiscal year 2007-2008 for stipends to non-profit organizations that volunteer their time and money to perform honor guard burial services (\$35,000 each year), and the restoration of two (2) vacant positions in the Commissioner's Office (\$90,000 in fiscal year 2006-2007 and \$180,000 in fiscal year 2007-2008). The Senate also deletes Restricted Funds support totaling \$1,756,100 in fiscal year 2005-2006 for matching funds to expand the Alzheimer's/General Care Unit at the Western Kentucky Veterans' Center.

The Senate amends Part V, Funds Transfer, to include a \$1,756,100 transfer of Restricted Funds to the General Fund.

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Veterans' Affairs

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

The Conference revises Part I, Operating Budget, by adding the language concerning:

"Military Burial Honor Guard Program: Included in the above General Fund appropriation is an additional \$35,000 in each fiscal year to support the Military Burial Honor Guard Program/Veterans' Service Organizational Burial Honor Guard Trust Fund for providing proper support and decorum for veterans' funeral honors. These funds shall not lapse nor be utilized for other than the intended purposes.

Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors on the implementation of the Military Burial Honor Guard Program. The Board of Embalmers and Funeral Directors shall mail program notification letters to all licensed embalmers and funeral directors with information related to the program description and contacts for the Military Burial Honor Guard Program. These letters shall be mailed with the annual renewal notifications prior to July 1 each year. New applicants will receive their notification of the program at the time of licensing. The Board of Embalmers and Funeral Directors shall establish a section on the Board's Web site pertaining to the Military Burial Honor Guard Program. The Department of Military Affairs and the Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors, Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the implementation of the Military Burial Honor Guard Program. The report shall include recommendations on organizational related matters, training and continuing education needs, equipment requirements for organizations performing or coordinating the honors ceremonies, and the expenditure of funds."

"Debt Service: Included in the above General Fund appropriation is \$84,000 in fiscal year 2006-2007 and \$168,000 in fiscal year 2007-2008 for debt service to support new bonds for the Western Kentucky Veterans' Center as set forth in Part II, Capital Projects Budget, of this Act."

The Conference provides General Fund support totaling \$84,000 in fiscal year 2006-2007 and \$168,000 in fiscal year 2007-2008 for debt service to support new bonds for the Western Kentucky Veterans' Center - Alzheimer's/General Care Unit.

The Conference amends Part V, Funds Transfer, to include: a Restricted Funds transfer of \$1,756,100 to the General Fund.

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Veterans' Affairs

The Conference amends Part II, Capital Budget, by adding \$1,757,000 in Bond Funds in fiscal year 2006-2007 for the Western Kentucky Veterans' Center - Alzheimer's/General Care Unit.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Department of Veterans Affairs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				395,000	395,000	395,000	200,000	200,000	200,000
Federal Funds							14,300,000	14,300,000	14,300,000
Bond Funds						1,757,000			
Investment Income				100,000	100,000	100,000	100,000	100,000	100,000
TOTAL CAPITAL				495,000	495,000	2,252,000	14,600,000	14,600,000	14,600,000
II. CAPITAL PROJECTS									
1	Maintenance Pool								
PRJ0741349									
Investment Income				100,000	100,000	100,000	100,000	100,000	100,000
Project Total				100,000	100,000	100,000	100,000	100,000	100,000
2	Construct State Veterans Cemetery-Northeast Kentucky (Greenup County)								
PRJ0741346									
General Fund				395,000	395,000	395,000			
Federal Funds							8,300,000	8,300,000	8,300,000
Project Total				395,000	395,000	395,000	8,300,000	8,300,000	8,300,000
3	Construct State Veterans Cemetery - Southeast Kentucky (Leslie County)								
PRJ0741352									
General Fund							200,000	200,000	200,000
Federal Funds							6,000,000	6,000,000	6,000,000
Project Total							6,200,000	6,200,000	6,200,000
4	Western Kentucky Veterans Center - Alzheimers/General Care Unit								
PRJ0741354									
Bond Funds						1,757,000			
Project Total						1,757,000			
TOTAL CAPITAL				495,000	495,000	2,252,000	14,600,000	14,600,000	14,600,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Governors Office of Agricultural Policy

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	24,541,400	24,541,400	24,541,400	17,469,800	13,977,800	17,469,800	20,065,100	13,081,100	20,065,100
General Fund	28,000,000	28,000,000	28,000,000	6,000,000		3,000,000			
Restricted Funds	515,600	515,600	515,600	545,800	545,800	545,800	570,000	570,000	570,000
Regular Total Funds	53,057,000	53,057,000	53,057,000	24,015,600	14,523,600	21,015,600	20,635,100	13,651,100	20,635,100
Use of Continuing	(21,747,600)	(21,747,600)	(21,747,600)	6,796,500	10,288,500	6,796,500	12,508,700	19,492,700	12,508,700
TOTAL FUNDS	31,309,400	31,309,400	31,309,400	30,812,100	24,812,100	27,812,100	33,143,800	33,143,800	33,143,800
II. EXPENDITURE CATEGORY									
Personnel Costs	1,107,100	1,107,100	1,107,100	1,149,300	1,149,300	1,149,300	1,177,400	1,177,400	1,177,400
Operating Expenses	201,300	201,300	201,300	201,300	201,300	201,300	201,300	201,300	201,300
Grants, Loans, Benefits	30,001,000	30,001,000	30,001,000	29,461,500	23,461,500	26,461,500	31,765,100	31,765,100	31,765,100
TOTAL EXPENDITURES	31,309,400	31,309,400	31,309,400	30,812,100	24,812,100	27,812,100	33,143,800	33,143,800	33,143,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	24,541,400	24,541,400	24,541,400	17,469,800	13,977,800	17,469,800	18,195,000	11,211,000	18,195,000
General Fund	28,000,000	28,000,000	28,000,000						
Restricted Funds	515,600	515,600	515,600	545,800	545,800	545,800	515,600	515,600	515,600
Regular Total Funds	53,057,000	53,057,000	53,057,000	18,015,600	14,523,600	18,015,600	18,710,600	11,726,600	18,710,600
Use of Continuing	(21,747,600)	(21,747,600)	(21,747,600)	6,796,500	10,288,500	6,796,500	12,508,700	19,492,700	12,508,700
TOTAL BASE LEVEL	31,309,400	31,309,400	31,309,400	24,812,100	24,812,100	24,812,100	31,219,300	31,219,300	31,219,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)							1,870,100	1,870,100	1,870,100
General Fund				6,000,000		3,000,000			
Restricted Funds							54,400	54,400	54,400
TOTAL ADDITIONAL				6,000,000		3,000,000	1,924,500	1,924,500	1,924,500
V. ADDITIONAL BUDGET ITEMS									
1 CONT Governors Office of Agricultural Policy									
ABR0890002 Provide funding to support an increase in Tobacco Fund grants.									
General Fund (Tobacco)							1,870,100	1,870,100	1,870,100
Restricted Funds							54,400	54,400	54,400
Project Total							1,924,500	1,924,500	1,924,500

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Governors Office of Agricultural Policy

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2 CONT Fund Reduction Restoration								
ABR0890003 Restoration of funds.								
General Fund			6,000,000		3,000,000			
Project Total			6,000,000		3,000,000			
TOTAL ADDITIONAL			6,000,000		3,000,000	1,924,500	1,924,500	1,924,500

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Governor's Office of Agriculture Policy

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes the following language provisions:

"Agricultural Development Initiatives: Fifty percent of the MSA payments, less the above enforcement appropriations, received in fiscal year 2006-2007, estimated to be \$44,312,500, and in fiscal year 2007-2008, estimated to be \$46,912,500, is appropriated to the Kentucky Agricultural Development Fund to be used for agricultural development initiatives."

"MSA Appropriation Adjustment: The Consensus Forecasting Group reduced the fiscal year 2005-2006 Phase I Master Settlement Agreement revenue forecast from the enacted estimate of \$108,600,000 to \$91,300,000, a reduction of \$17,300,000. The revenue estimate reduction was based on the high probability of an adjustment for nonparticipating manufacturers. To accommodate this reduction in estimated revenues, the following fiscal year 2005-2006 appropriations are hereby reduced in accordance with 2005 Ky. Acts ch. 173, Part X, (5)."

"Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that directs:

"Kentucky Agricultural Finance Corporation: Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000."

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Governor's Office of Agriculture Policy

"Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes new funding initiatives above the base and defined calculations, in the amount of amount of \$1,870,100 in General Fund (Tobacco) and Restricted Funds of \$54,400 in fiscal year 2007-2008 for an increase in the grants. Additional funding adjustments in fiscal year 2005-2006 includes a reduction in the General Fund by \$898,000 for debt service on the \$17,000,000 Bond Funds, allocated to the Kentucky Agriculture Finance Corporation enacted in House Bill 267. These funds are no longer required due to recent litigation.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides an additional \$6,000,000 in General Fund for fiscal year 2006-2007 for the restoration of funds reduced unproportionally rather than the prorata share provided for in KRS 248.654 resulting from the reduced Consensus Forecasting Group estimates in fiscal year 2005-2006.

The House did not provide \$4,000,000 in fiscal year 2006-2007 and \$3,000,000 in fiscal year 2007-2008 of General Fund Tobacco Fund dollars in Part I and Part X that and were appropriated in the Environmental Stewardship Program.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Partial Phase II Litigation Proceeds : Notwithstanding KRS 45.229, General Fund dollars of \$27,000,000 representing Partial Phase II Litigation proceeds that were appropriated in fiscal year 2005-2006 pursuant to 2005 House Bill 267 (2005 Ky. Acts ch. 173, Part X, Phase I Tobacco Settlement, B.3.a.(4)), shall not lapse in fiscal year 2006-2007 and fiscal year 2007-2008. To the extent possible, all General Fund dollars shall be expended from the account prior to the expenditure of Tobacco Fund dollars."

"Restoration of Funds: Notwithstanding KRS 45.229, General Fund dollars of \$6,000,000 representing the restoration of funds, shall not lapse in fiscal year 2006-2007 and fiscal year 2007-2008. Included in the above General Fund appropriation in fiscal year 2006-2007 is an additional \$6,000,000 for the restoration of funds resulting from the Master Settlement Agreement appropriation adjustment resulting from the reduced Consensus Forecasting Group estimates in fiscal year 2005-2006."

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Governor's Office of Agriculture Policy

The House amends the State/Executive Branch Budget Bill, Part X, Operating Budget, to include the following language provision:

"Partial Phase II Litigation Proceeds: Notwithstanding KRS 45.229, General Fund dollars of \$27,000,000 representing Partial Phase II Litigation proceeds that were appropriated in fiscal year 2005-2006 pursuant to 2005 House Bill 267 (2005 Ky. Acts ch. 173, Part X, Phase I Tobacco Settlement, B.3.a.(4)), shall not lapse in fiscal year 2006-2007 and fiscal year 2007-2008. To the extent possible, all General Fund dollars shall be expended from the account prior to the expenditure of Tobacco Fund dollars."

"Kentucky Tobacco Settlement Trust Corporation: The Governor's Office of Agricultural Policy shall provide and make available the funds necessary for the Kentucky Tobacco Settlement Trust Corporation to carry out the provisions of the Phase II Amnesty Payment Program established in Part XXI. General Fund and/or General Fund (Tobacco) continuing appropriations from the Governor's Office of Agricultural Policy shall be the source of funds provided to the Kentucky Tobacco Settlement Trust Corporation."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate Amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "The Restoration of Funds". The Senate also modifies the language concerning "Partial Phase II Litigation Proceeds" to prohibit General Fund dollars from lapsing in fiscal year 2005-2006.

The Senate deletes in Part I, Operating Budget, General Fund (Tobacco) support totaling \$3,492,000 in fiscal year 2006-2007 and \$6,984,000 in fiscal year 2007-2008 for debt service to support \$75,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties as set forth in Part II, Capital Projects Budget. The Senate also deletes in Part I, Operating Budget, General Fund support totaling \$6,000,000 in fiscal year 2006-2007 for the restoration of funds resulting from the Master Settlement Agreement appropriation adjustment based on the reduced Consensus Forecasting Group estimates for fiscal year 2005-2006.

The Senate amends Part X, Phase I Tobacco Settlement, by removing the language concerning "Kentucky Tobacco Settlement Trust Corporation". The Senate also modifies the language concerning "Partial Phase II Litigation Proceeds" to prohibit General Fund dollars from lapsing in fiscal year 2005-2006.

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Governor's Office of Agriculture Policy

The Senate deletes in Part X, Phase I Tobacco Settlement, General Fund (Tobacco) support totaling \$3,492,000 in fiscal year 2006-2007 and \$6,984,000 in fiscal year 2007-2008 for debt service to support \$75,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties as set forth in Part II, Capital Projects Budget.

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

The Conference amends Part I, Operating Budget, language provision as follows:

"Restoration of Funds: Notwithstanding KRS 45.229, General Fund dollars of \$3,000,000 representing the restoration of funds, shall not lapse in fiscal year 2006-2007 and fiscal year 2007-2008. Included in the above General Fund appropriation in fiscal year 2006-2007 is an additional \$3,000,000 for the restoration of funds resulting from the Master Settlement Agreement appropriation adjustment resulting from the reduced Consensus Forecasting Group estimates in fiscal year 2005-2006."

The Conference amends Part I, Operating Budget, and provides an additional \$3,000,000 in General Fund rather than \$6,000,000 for fiscal year 2006-2007 for the restoration of funds reduced as a result of the Consensus Forecasting Group estimates in fiscal year 2005-2006.

The Conference adds a Part X, Phase I Tobacco Settlement, language provision as follows:

"Kentucky Tobacco Settlement Trust Corporation: The Governor's Office of Agricultural Policy shall provide and make available the funds necessary, not to exceed \$4,000,000, for the Kentucky Tobacco Settlement Trust Corporation to carry out the provisions of the Phase II Amnesty Payment Program established in Part XX, Tobacco Amnesty Compensation, of this Act. General Fund and/or General Fund (Tobacco) continuing appropriations from the Governor's Office of Agricultural Policy shall be the source of funds provided to the Kentucky Tobacco Settlement Trust Corporation."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Kentucky Infrastructure Authority

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)					3,492,000			6,984,000	
General Fund				2,343,500	2,343,500		8,284,100	12,940,100	25,744,100
Restricted Funds	3,680,000	3,680,000	3,680,000	1,483,300	1,483,300	1,483,300	1,752,600	1,752,600	1,752,600
Federal Funds	50,339,000	50,339,000	50,339,000	50,172,600	50,172,600	50,172,600	50,172,600	50,172,600	50,172,600
Regular Total Funds	54,019,000	54,019,000	54,019,000	53,999,400	57,491,400	53,999,400	60,209,300	71,849,300	77,669,300
Use of Continuing									
TOTAL FUNDS	54,019,000	54,019,000	54,019,000	53,999,400	57,491,400	53,999,400	60,209,300	71,849,300	77,669,300
II. EXPENDITURE CATEGORY									
Personnel Costs	2,278,400	2,278,400	2,278,400	2,691,800	2,691,800	2,691,800	2,705,700	2,705,700	2,705,700
Operating Expenses	285,700	285,700	285,700	307,600	307,600	307,600	307,600	307,600	307,600
Grants, Loans, Benefits	51,454,900	51,454,900	51,454,900	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000
Debt Service					3,492,000		6,196,000	17,836,000	23,656,000
TOTAL EXPENDITURES	54,019,000	54,019,000	54,019,000	53,999,400	57,491,400	53,999,400	60,209,300	71,849,300	77,669,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	3,680,000	3,680,000	3,680,000	1,483,300	1,483,300	1,483,300	1,752,600	1,752,600	1,752,600
Federal Funds	50,339,000	50,339,000	50,339,000	50,172,600	50,172,600	50,172,600	50,172,600	50,172,600	50,172,600
Regular Total Funds	54,019,000	54,019,000	54,019,000	51,655,900	51,655,900	51,655,900	51,925,200	51,925,200	51,925,200
Use of Continuing									
TOTAL BASE LEVEL	54,019,000	54,019,000	54,019,000	51,655,900	51,655,900	51,655,900	51,925,200	51,925,200	51,925,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)					3,492,000			6,984,000	
General Fund				2,343,500	2,343,500	2,343,500	8,284,100	12,940,100	25,744,100
TOTAL ADDITIONAL				2,343,500	5,835,500	2,343,500	8,284,100	19,924,100	25,744,100
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Debt Service									
ABR0820004 Provide debt service for 2 projects, a total of \$8.0 million in Bonds									
General Fund							376,000	376,000	376,000
Project Total							376,000	376,000	376,000
2 RRF KIA- Restricted Funds Replacement									
ABR0820002 Provide General Funds to replace a reduction of restricted fund receipts.									
General Fund				2,343,500	2,343,500	2,343,500	2,088,100	2,088,100	2,088,100
Project Total				2,343,500	2,343,500	2,343,500	2,088,100	2,088,100	2,088,100

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Kentucky Infrastructure Authority

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3	NEW	Debt Service - Infrastructure for Economic Development Fund - Non-Coal Producing Counties									
ABR0820005			HOUSE: Provide General Fund debt service on \$75 million Bond CONFERENCE: Provides \$150 million in Bond Funds by combining House and Senate Pools.								
General Fund									3,492,000	3,492,000	13,968,000
Project Total									3,492,000	3,492,000	13,968,000
4	NEW	Debt Service - Infrastructure for Economic Development Fund for Coal Producing Counties									
ABR0820006			HOUSE: Provide General Fund debt service from Coal Severance for \$50 million in Bonds; CONFERENCE: Provides \$100 million in Bond Funds by combining House and Senate Pools.								
General Fund									2,328,000	2,328,000	9,312,000
Project Total									2,328,000	2,328,000	9,312,000
5	NEW	Debt Service- Infrastructure for Economic Development Fund Non-Coal Producing Counties (B)									
ABR0820007			Provide debt service on \$75 million Bond Fund projects; CONFERENCE: combines the House and Senate Pools.								
General Fund (Tobacco)							3,492,000			6,984,000	
Project Total							3,492,000			6,984,000	
6	NEW	Debt Service - Infrastructure for Economic Development Fund for Coal Producing Counties (B)									
ABR0820008			Provide debt service on \$50 million Bond Funds; CONFERENCE combines the House and Senate Pools..								
General Fund										4,656,000	
Project Total										4,656,000	
TOTAL ADDITIONAL						2,343,500	5,835,500	2,343,500	8,284,100	19,924,100	25,744,100

TRANSFERS TO THE GENERAL FUND

Kentucky Infrastructure Authority

Solid Waste and Environmental Protection	3,600,000
Revolving Loan Fund Program	

TOTAL	3,600,000
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Kentucky Infrastructure Authority

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Federally Assisted Wastewater Revolving Loan Fund Program: Included in the above General Fund appropriation is \$376,000 in fiscal year 2007-2008 for debt service to support \$4,000,000 in bonds to match \$20,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

"Safe Drinking Water State Revolving Loan Fund Program: Included in the above General Fund appropriation is \$376,000 in fiscal year 2007-2008 for debt service to support \$4,000,000 in bonds to match \$22,000,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. The required state matching funds are appropriated as Bond Funds in Part II, Capital Projects Budget, of this Act."

"Administrative Fee on Infrastructure for Economic Development Fund Projects: A one-half of one percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated."

"Local Government Economic Development Funds: Included in the above General Fund appropriation is \$370,000 in fiscal year 2006-2007 and \$311,700 in fiscal year 2007-2008 from the Local Government Economic Development Fund to support services provided to coal producing counties."

The State/Executive Branch Budget Bill, Part I, Operating Budget provides General Fund appropriation of \$2,343,500 in fiscal year 2006-2007 and \$2,088,100 in fiscal year 2007-2008 as Restricted Funds replacement.

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Kentucky Infrastructure Authority

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Expenditure of Loan Repayments Cash Balances: The Kentucky Infrastructure Authority is authorized to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of low-interest loans, to governmental agencies for professional planning and preliminary engineering design work required for eligible Fund A wastewater projects."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides additional General Fund support totaling \$3,492,000 in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund - Non-Coal Producing Counties.

The House provides additional General Fund support totaling \$2,328,000 in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund - Coal Producing Counties.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision changes:

" Federally Assisted Wastewater Revolving Loan Fund Program: Included in the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt service to support \$4,000,000 in bonds to match \$20,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

"Safe Drinking Water State Revolving Loan Fund Program: Included in the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt service to support \$4,000,000 in bonds to match \$22,000,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. The required state matching funds are appropriated as Bond Funds in Part II, Capital Projects Budget, of this Act."

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

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Kentucky Infrastructure Authority

"Infrastructure for Economic Development Fund for Non-Coal Producing Counties: Included in the above General Fund appropriation is \$3,492,000 in fiscal year 2007-2008 for debt service to support \$75,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties set forth in Part II, Capital Projects Budget, of this Act."

"Infrastructure for Economic Development Fund for Coal-Producing Counties: Included in the above General Fund appropriation is \$2,328,000 in fiscal year 2007-2008 for debt service to support \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties set forth in Part II, Capital Projects Budget, of this Act."

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include:

The House provides \$75,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties.

The House provides \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal Producing Counties.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides General Fund (Tobacco) support totaling \$3,492,000 in fiscal year 2006-2007 and \$6,984,000 in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B).

The Senate provides additional General Fund support of \$4,656,000 in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund for Coal Producing Counties (B).

The Senate modifies Part I, Operating Budget, language provisions as follows:

"Infrastructure for Economic Development Fund for Non-Coal Producing Counties (A): Included in the above General Fund appropriation is \$3,492,000 in fiscal year 2007-2008 for debt service to support \$75,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (A) as set forth in Part II, Capital Projects Budget, of this Act."

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Kentucky Infrastructure Authority

"Infrastructure for Economic Development Fund for Coal-Producing Counties (A): Included in the above General Fund appropriation is \$2,328,000 in fiscal year 2007-2008 for debt service to support \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties (A) as set forth in Part II, Capital Projects Budget, of this Act."

The Senate adds Part I, Operating Budget, language provisions as follows:

"Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B): Included in the above General Fund (Tobacco) appropriation is \$3,492,000 in fiscal year 2006-2007 and \$6,984,000 in fiscal year 2007-2008 for debt service to support \$75,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B) as set forth in Part II, Capital Projects Budget, A. General Government, 2. Kentucky Infrastructure Authority, project 006. of this Act."

"Infrastructure for Economic Development Fund for Coal-Producing Counties (B): Included in the above General Fund appropriation is \$4,656,000 in fiscal year 2007-2008 for debt service to support \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties as set forth in Part II, Capital Projects Budget, A. General Government, 2. Kentucky Infrastructure Authority, project 007. of this Act."

The Senate amends Part II, Capital Budget, to include:

The Senate provides \$75,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B).

The Senate provides \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal Producing Counties (B).

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference combines the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (A) and the Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B) into one project entitled "Infrastructure for Economic Development Fund for Non-Coal Producing Counties. The Conference provides \$150,000,000 Bond Funds in fiscal year 2006-2007 and General Fund debt service of \$13,968,000 in fiscal year 2007-2008.

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Kentucky Infrastructure Authority

The Conference combines the Infrastructure for Economic Development Fund for Coal Producing Counties (A) and the Infrastructure for Economic Development Fund for Coal Producing Counties (B) into one project entitled "Infrastructure for Economic Development Fund for Coal Producing Counties. The Conference provides \$100,000,000 Bond Funds in fiscal year 2006-2007 and General Fund debt service of \$9,312,000 in fiscal year 2007-2008.

The Conference deletes Part I, Operating Budget, language provisions relating to "Infrastructure for Economic Development Fund for Non-Coal Producing Counties (A)", "Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B)", "Infrastructure for Economic Development Fund for Coal Producing Counties (A)" and "Infrastructure for Economic Development Fund for Coal Producing Counties (B)".

The Conference adds Part I, Operating Budget, language provisions as follows:

"Infrastructure for Economic Development Fund for Non-Coal Producing Counties: Included in the above General Fund appropriation is \$13,968,000 in fiscal year 2007-2008 for debt service to support \$150,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties as set forth in Part II, Capital Projects Budget, of this Act."

"Infrastructure for Economic Development Fund for Coal-Producing Counties: Included in the above General Fund appropriation is \$9,312,000 in fiscal year 2007-2008 for debt service to support \$100,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties as set forth in Part II, Capital Projects Budget, of this Act."

The Conference combines Part II, Capital Budget, projects " Infrastructure for Economic Development Fund for Non-Coal Producing Counties (A)" and "Infrastructure for Economic Development Fund for Non-Coal Producing Counties (B) into one Capital Project entitled " Infrastructure for Economic Development Fund for Non-Coal Producing Counties" and provided \$150,000,000 in Bond Funds.

The Conference combines Part II, Capital Budget, projects " Infrastructure for Economic Development Fund for Coal Producing Counties (A)" and "Infrastructure for Economic Development Fund for Coal Producing Counties (B) into one Capital Project entitled " Infrastructure for Economic Development Fund for Coal Producing Counties" and provided \$100,000,000 in Bond Funds.

The Conference adds a Part V, Fund Transfer, from the Solid Waste and Environmental Protection Revolving Loan Fund Program of \$3,600,000 in fiscal year 2005-2006.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Kentucky Infrastructure Authority

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				40,000,000	40,000,000	40,000,000			
Bond Funds				133,000,000	258,000,000	258,000,000			
TOTAL CAPITAL				173,000,000	298,000,000	298,000,000			
II. CAPITAL PROJECTS									
1	KIA Fund F - Drinking Water Revolving Loan Program								
PRJ0821390									
Federal Funds				20,000,000	20,000,000	20,000,000			
Bond Funds				4,000,000	4,000,000	4,000,000			
Project Total				24,000,000	24,000,000	24,000,000			
2	KIA Fund A - Federally Assisted Wastewater Program								
PRJ0821389									
Federal Funds				20,000,000	20,000,000	20,000,000			
Bond Funds				4,000,000	4,000,000	4,000,000			
Project Total				24,000,000	24,000,000	24,000,000			
3	Infrastructure for Economic Development Fund for Non-Coal Producing Counties								
PRJ0821394									
Bond Funds				75,000,000	75,000,000	150,000,000			
Project Total				75,000,000	75,000,000	150,000,000			
4	Infrastructure for Economic Development Fund for Coal Producing Counties								
PRJ0821396									
Bond Funds				50,000,000	50,000,000	100,000,000			
Project Total				50,000,000	50,000,000	100,000,000			
5	Infrastructure for Economic Development Fund for Non Coal Producing Counties (B)								
PRJ0821398									
Bond Funds					75,000,000				
Project Total					75,000,000				
6	Infrastructure for Economic Development Fund for Coal Producing Counties (B)								
PRJ0821400									
Bond Funds					50,000,000				
Project Total					50,000,000				

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Kentucky Infrastructure Authority

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL CAPITAL				173,000,000	298,000,000	298,000,000			

Operating Budget

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE											
General Fund			19,864,800	19,864,800	19,864,800	11,888,700	12,588,700	12,588,700	12,099,700	12,799,700	12,799,700
Restricted Funds			24,429,200	24,429,200	24,429,200	24,271,500	24,271,500	24,271,500	24,271,500	24,271,500	24,271,500
Federal Funds			91,870,500	91,870,500	91,870,500	62,302,800	62,302,800	62,302,800	62,660,700	62,660,700	62,660,700
Regular Total Funds			136,164,500	136,164,500	136,164,500	98,463,000	99,163,000	99,163,000	99,031,900	99,731,900	99,731,900
Use of Continuing											
TOTAL FUNDS			136,164,500	136,164,500	136,164,500	98,463,000	99,163,000	99,163,000	99,031,900	99,731,900	99,731,900
II. EXPENDITURE CATEGORY											
Personnel Costs			27,885,900	27,885,900	27,885,900	26,743,200	26,843,200	26,843,200	26,798,800	26,898,800	26,898,800
Operating Expenses			21,289,800	21,289,800	21,289,800	19,951,000	20,151,000	20,151,000	19,991,200	20,191,200	20,191,200
Grants, Loans, Benefits			82,800,200	82,800,200	82,800,200	47,369,200	47,769,200	47,769,200	47,631,300	48,031,300	48,031,300
Debt Service			938,600	938,600	938,600	1,149,600	1,149,600	1,149,600	1,360,600	1,360,600	1,360,600
Capital Outlay			250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Construction			3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
TOTAL EXPENDITURES			136,164,500	136,164,500	136,164,500	98,463,000	99,163,000	99,163,000	99,031,900	99,731,900	99,731,900
III. BASE LEVEL BUDGET BY FUND SOURCE											
General Fund			19,864,800	19,864,800	19,864,800	11,177,700	11,177,700	11,177,700	11,177,700	11,177,700	11,177,700
Restricted Funds			24,429,200	24,429,200	24,429,200	24,271,500	24,271,500	24,271,500	24,271,500	24,271,500	24,271,500
Federal Funds			91,870,500	91,870,500	91,870,500	62,302,800	62,302,800	62,302,800	62,660,700	62,660,700	62,660,700
Regular Total Funds			136,164,500	136,164,500	136,164,500	97,752,000	97,752,000	97,752,000	98,109,900	98,109,900	98,109,900
Use of Continuing											
TOTAL BASE LEVEL			136,164,500	136,164,500	136,164,500	97,752,000	97,752,000	97,752,000	98,109,900	98,109,900	98,109,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE											
General Fund						711,000	1,411,000	1,411,000	922,000	1,622,000	1,622,000
TOTAL ADDITIONAL						711,000	1,411,000	1,411,000	922,000	1,622,000	1,622,000
V. ADDITIONAL BUDGET ITEMS											
1	NEW	Military Affairs - Kentucky Commission on Military Affairs									
ABR0950025		Provide funding to support operations of the Patton Museum located at Fort Knox.									
General Fund						500,000	500,000	500,000	500,000	500,000	500,000
Project Total						500,000	500,000	500,000	500,000	500,000	500,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Military Affairs

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	NEW	Military Affairs									
ABR0950007			Provide funding for debt service for a state bond issue to purchase 4,290 acres of property on the Wendell H. Ford Regional Training Center, currently leased.								
General Fund						211,000	211,000	211,000	422,000	422,000	422,000
Project Total						211,000	211,000	211,000	422,000	422,000	422,000
3	NEW	Military Affairs - Burial Honor Program									
ABR0950026			Provide funding to non-profit volunteer organizations to purchase military uniforms and equipment to perform burial honors for veterans.								
General Fund							200,000	200,000		200,000	200,000
Project Total							200,000	200,000		200,000	200,000
4	NEW	Military Affairs - Military Family Assistance Fund									
ABR0950027			Provide funding to support the operations of the trust fund that includes awarding of grants to assist military families as identified in Sections 1-4 of 2006 Senate Bill 2.								
General Fund							500,000	500,000		500,000	500,000
Project Total							500,000	500,000		500,000	500,000
TOTAL ADDITIONAL						711,000	1,411,000	1,411,000	922,000	1,622,000	1,622,000

TRANSFERS TO THE GENERAL FUND

Military Affairs

Agency Revenue Fund	300,000	300,000	300,000	4,900,000	4,900,000	4,900,000	300,000	300,000	300,000
TOTAL	300,000	300,000	300,000	4,900,000	4,900,000	4,900,000	300,000	300,000	300,000

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Budget Modification Report**

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Military Affairs

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Military Affairs, Restricted Funds of \$300,000 in fiscal year 2005-2006, \$400,000 in fiscal year 2006-2007, and \$300,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that directs:

"Kentucky National Guard: There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

"Disaster or Emergency Aid Funds: There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides additional General Fund dollars of \$711,00 in fiscal year 2006-2007 and \$922,000 in fiscal year 2007-2008 of which \$500,000 each year for the Patton Museum located at Fort Knox. The remainder of the funding of \$211,000 in fiscal year 2006-2007 and \$422,000 in fiscal year 2007-2008 is for debt service for bonds to acquire land for the Wendell H. Ford Regional Training Center.

**Fiscal Biennium 2006-2008
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Military Affairs

The House amends the State/Executive Branch Budget Bill, Part I Operating Budget, to include the following language provisions:

"Base Realignment and Closure: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 for the Kentucky Commission on Military Affairs to support Kentucky's efforts regarding the Base Realignment and Closure process. The Department of Military Affairs shall continue to provide administrative support for this activity."

"Patton Museum: Included in the above General Fund appropriation is an additional \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 for the Kentucky Commission on Military Affairs to provide funds for a grant to support the operations of the Patton Museum. The Department of Military Affairs shall provide administrative support for this activity."

"Morehead/Rowan County Airport: The Kentucky National Guard shall accept any available federal dollars for construction of a road to the Morehead/Rowan County Airport. The Kentucky National Guard shall work with the Transportation Cabinet to complete this project."

"Debt Service: Included in the above General Fund appropriation is \$211,000 in fiscal year 2006-2007 and \$422,000 in fiscal year 2007-2008 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfer, to provide for \$4,500,000 Restricted Funds transfer to the General Fund.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include providing Bond Fund totaling \$4,500,000 to acquire land for the Wendell H. Ford Regional Training Center.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "Morehead/Rowan County Airport".

The Senate modifies Part I, Operating Budget, and adds a language provisions as follows:

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Military Affairs

"Burial Honors Program: Included in the above General Fund appropriation is an additional \$200,000 in each fiscal year to support the Military Burial Honor Guard Program/Military Burial Honor Guard Trust Fund in providing the proper support and decorum for military funeral honors pursuant to KRS 36.390 to 36.396."

"Military Family Assistance Fund: Included in the above General Fund appropriation is an additional \$500,000 each year to provide funding to support the Military Family Assistance Fund as codified in Part XXVIII of this Act. Of the total General Fund appropriation, \$400,000 each year shall be used as proceeds for the Fund and \$100,000 shall be used for operations."

The Senate adds in Part I, Operating Budget, General Fund support totaling \$700,000 in fiscal year 2006-2007 and \$700,000 in fiscal year 2007-2008 for the Burial Honors Program (\$200,000 each year) and the Military Family Assistance Fund (\$500,000 each year).

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference amends Part I, Operating Budget, language provisions as follows:

"Military Burial Honor Guard Program: Included in the above General Fund appropriation is an additional \$200,000 in each fiscal year to support the Military Burial Honor Guard Program/Military Burial Honor Guard Trust Fund for providing the proper support and decorum for military funeral honors pursuant to KRS 36.390 to 36.396. These funds shall not lapse nor be utilized for other than the intended purposes.

Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors on the implementation of the Military Burial Honor Guard Program. The Board of Embalmers and Funeral Directors shall mail program notification letters to all licensed embalmers and funeral directors with information related to program description and contacts for the Military Burial Honor Guard Program. These letters shall be mailed with the annual renewal notifications prior to July 1 each year. New applicants will receive their notification of the program at the time of licensing. The Board of Embalmers and Funeral Directors shall establish a section on the Board's web site pertaining to the Military Burial Honor Guard Program. The Department of Military Affairs and the Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors, Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the implementation of the Military Burial Honor Guard Program. The report shall include recommendations on organizational related matters, training and

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Budget Modification Report

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Military Affairs

continuing education needs, equipment requirements for organizations performing or coordinating the honors ceremonies, and the expenditure of funds."

"Morehead/Rowan County Airport: The Kentucky National Guard may accept any available federal dollars for construction of a road to the Morehead/Rowan County Airport. The Kentucky National Guard shall work with the Transportation Cabinet to complete this project."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Military Affairs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				2,875,000	2,875,000	2,875,000	2,500,000	2,500,000	2,500,000
Federal Funds				15,525,000	15,525,000	15,525,000			
Bond Funds				4,500,000	4,500,000	4,500,000			
Investment Income				1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000
TOTAL CAPITAL				24,260,000	24,260,000	24,260,000	3,860,000	3,860,000	3,860,000
II. CAPITAL PROJECTS									
1	Maintenance Pool								
PRJ0951376									
Investment Income				860,000	860,000	860,000	860,000	860,000	860,000
Project Total				860,000	860,000	860,000	860,000	860,000	860,000
2	Aircraft Maintenance Pool								
PRJ0951383									
Investment Income				500,000	500,000	500,000	500,000	500,000	500,000
Project Total				500,000	500,000	500,000	500,000	500,000	500,000
3	Bluegrass Station Facility Maintenance Pool								
PRJ0951378									
Restricted Funds				2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Project Total				2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4	Acquire Land for Wendell H. Ford Regional Training Center								
PRJ0951385									
Bond Funds				4,500,000	4,500,000	4,500,000			
Project Total				4,500,000	4,500,000	4,500,000			
5	Construct Warehouse - Bluegrass Station								
PRJ0951375									
Restricted Funds				375,000	375,000	375,000			
Federal Funds				1,125,000	1,125,000	1,125,000			
Project Total				1,500,000	1,500,000	1,500,000			

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Military Affairs

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
6	Upgrade DMA Statewide Radio System - Additional									
PRJ0952571										
Federal Funds					3,000,000	3,000,000	3,000,000			
Project Total					3,000,000	3,000,000	3,000,000			
7	Construct Joint Use Readiness Center Paducah									
PRJ0951372										
Federal Funds					11,400,000	11,400,000	11,400,000			
Project Total					11,400,000	11,400,000	11,400,000			
TOTAL CAPITAL					24,260,000	24,260,000	24,260,000	3,860,000	3,860,000	3,860,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Commission on Human Rights

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,800,400	1,800,400	1,800,400	1,990,900	1,840,900	1,840,900	2,009,100	1,859,100	1,859,100
Restricted Funds	1,600	1,600	1,600	1,700	1,700	1,700	1,600	1,600	1,600
Federal Funds	339,000	339,000	339,000	293,400	293,400	293,400	305,700	305,700	305,700
Regular Total Funds	2,141,000	2,141,000	2,141,000	2,286,000	2,136,000	2,136,000	2,316,400	2,166,400	2,166,400
Use of Continuing									
TOTAL FUNDS	2,141,000	2,141,000	2,141,000	2,286,000	2,136,000	2,136,000	2,316,400	2,166,400	2,166,400
II. EXPENDITURE CATEGORY									
Personnel Costs	1,724,500	1,724,500	1,724,500	1,902,200	1,752,200	1,752,200	1,932,600	1,782,600	1,782,600
Operating Expenses	416,500	416,500	416,500	383,800	383,800	383,800	383,800	383,800	383,800
TOTAL EXPENDITURES	2,141,000	2,141,000	2,141,000	2,286,000	2,136,000	2,136,000	2,316,400	2,166,400	2,166,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,800,400	1,800,400	1,800,400	1,840,900	1,840,900	1,840,900	1,859,100	1,859,100	1,859,100
Restricted Funds	1,600	1,600	1,600	1,700	1,700	1,700	1,600	1,600	1,600
Federal Funds	212,900	212,900	212,900	293,400	293,400	293,400	305,700	305,700	305,700
Regular Total Funds	2,014,900	2,014,900	2,014,900	2,136,000	2,136,000	2,136,000	2,166,400	2,166,400	2,166,400
Use of Continuing									
TOTAL BASE LEVEL	2,014,900	2,014,900	2,014,900	2,136,000	2,136,000	2,136,000	2,166,400	2,166,400	2,166,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				150,000			150,000		
Federal Funds	126,100	126,100	126,100						
TOTAL ADDITIONAL	126,100	126,100	126,100	150,000			150,000		
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Commission on Human Rights									
ABR3700029 Increase expenditure authority to support a new EEOC and HUD grant.									
Federal Funds	126,100	126,100	126,100						
Project Total	126,100	126,100	126,100						
2 CONT Human Rights Commission									
ABR3700030 Provide funding to support four (4) vacant positions that were filled after August 1 personnel runs.									
General Fund				150,000			150,000		
Project Total				150,000			150,000		

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Commission on Human Rights

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL	126,100	126,100	126,100	150,000			150,000		

**Fiscal Biennium 2006-2008
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Commission on Human Rights

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes additional Federal Funds in the amount of \$126,100 in fiscal year 2005-2006 to continue contractual arrangements with the Department of Housing and Urban Development and the Equal Employment Opportunity Commission.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, by adding an additional \$150,000 in General Fund dollars in each fiscal year to provide support for four (4) vacant positions.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate deletes in Part I, Operating Budget, General Fund support totaling \$150,000 in fiscal year 2006-2007 and \$150,000 in fiscal year 2007-2008 for four (4) vacant positions.

CONFERENCE REPORT

The Conference concurs with the Branch Budget.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Commission on Women

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	266,200	266,200	266,200	266,200	266,200	266,200	266,200	266,200	266,200
Restricted Funds	10,200	10,200	10,200	25,600	25,600	25,600	24,400	24,400	24,400
Regular Total Funds	276,400	276,400	276,400	291,800	291,800	291,800	290,600	290,600	290,600
Use of Continuing									
TOTAL FUNDS	276,400	276,400	276,400	291,800	291,800	291,800	290,600	290,600	290,600
II. EXPENDITURE CATEGORY									
Personnel Costs	180,500	180,500	180,500	188,900	188,900	188,900	192,800	192,800	192,800
Operating Expenses	95,900	95,900	95,900	102,900	102,900	102,900	97,800	97,800	97,800
TOTAL EXPENDITURES	276,400	276,400	276,400	291,800	291,800	291,800	290,600	290,600	290,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	266,200	266,200	266,200	266,200	266,200	266,200	266,200	266,200	266,200
Restricted Funds	10,200	10,200	10,200	11,900	11,900	11,900	6,900	6,900	6,900
Regular Total Funds	276,400	276,400	276,400	278,100	278,100	278,100	273,100	273,100	273,100
Use of Continuing									
TOTAL BASE LEVEL	276,400	276,400	276,400	278,100	278,100	278,100	273,100	273,100	273,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				13,700	13,700	13,700	17,500	17,500	17,500
TOTAL ADDITIONAL				13,700	13,700	13,700	17,500	17,500	17,500
V. ADDITIONAL BUDGET ITEMS									
1 CONT Commission on Women									
ABR4000004 Provide funding to support the Governors Biennial Womens Economic Conference.									
Restricted Funds				13,700	13,700	13,700	17,500	17,500	17,500
Project Total				13,700	13,700	13,700	17,500	17,500	17,500
TOTAL ADDITIONAL				13,700	13,700	13,700	17,500	17,500	17,500
TRANSFERS TO THE GENERAL FUND									
Commission on Women									
Agency Revenue Fund	1,800	1,800	1,800						
TOTAL	1,800	1,800	1,800						

**Fiscal Biennium 2006-2008
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Commission on Women

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Commission on Women, Restricted Funds, of \$1,800 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a funding initiatives, above the base and defined calculations, in Restricted Funds of \$13,700 in fiscal year 2006-2007 and \$15,500 in fiscal year 2007-2008 to support the Governor's Biennial Women's Economic Conference.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Governors Office for Local Development

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	13,572,300	13,072,300	13,072,300	20,639,100	14,248,500	13,498,500	15,600,400	13,281,400	20,887,400
Restricted Funds	1,758,700	1,758,700	1,758,700	2,585,600	2,585,600	2,585,600	2,085,600	2,085,600	2,085,600
Federal Funds	52,430,800	52,430,800	52,430,800	55,564,200	55,564,200	55,564,200	55,564,200	55,564,200	55,564,200
Regular Total Funds	67,761,800	67,261,800	67,261,800	78,788,900	72,398,300	71,648,300	73,250,200	70,931,200	78,537,200
Use of Continuing									
TOTAL FUNDS	67,761,800	67,261,800	67,261,800	78,788,900	72,398,300	71,648,300	73,250,200	70,931,200	78,537,200
II. EXPENDITURE CATEGORY									
Personnel Costs	5,429,200	5,429,200	5,429,200	5,762,500	5,762,500	5,762,500	5,912,300	5,912,300	5,912,300
Operating Expenses	983,500	983,500	983,500	1,051,400	1,051,400	1,051,400	1,053,500	1,053,500	1,053,500
Grants, Loans, Benefits	61,349,100	60,849,100	60,849,100	71,949,000	65,584,400	64,834,400	64,889,400	63,309,400	63,309,400
Debt Service				26,000			1,395,000	656,000	8,262,000
TOTAL EXPENDITURES	67,761,800	67,261,800	67,261,800	78,788,900	72,398,300	71,648,300	73,250,200	70,931,200	78,537,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	13,072,300	13,072,300	13,072,300	11,715,600	11,715,600	11,715,600	11,813,000	11,813,000	11,813,000
Restricted Funds	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700
Federal Funds	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800	52,430,800
Regular Total Funds	67,261,800	67,261,800	67,261,800	65,905,100	65,905,100	65,905,100	66,002,500	66,002,500	66,002,500
Use of Continuing									
TOTAL BASE LEVEL	67,261,800	67,261,800	67,261,800	65,905,100	65,905,100	65,905,100	66,002,500	66,002,500	66,002,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	500,000			8,923,500	2,532,900	1,782,900	3,787,400	1,468,400	9,074,400
Restricted Funds				826,900	826,900	826,900	326,900	326,900	326,900
Federal Funds				3,133,400	3,133,400	3,133,400	3,133,400	3,133,400	3,133,400
TOTAL ADDITIONAL	500,000			12,883,800	6,493,200	5,743,200	7,247,700	4,928,700	12,534,700
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN GOLD- Kentucky Community Development Office									
ABR112A0008 Provide additional funds for operating expenses.									
General Fund				38,700	38,700	38,700	46,900	46,900	46,900
Project Total				38,700	38,700	38,700	46,900	46,900	46,900

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Governors Office for Local Development

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	EXPAN GOLD- Office of Financial Management & Administration									
ABR112A0005	Provide additional funds for operating expenses.									
General Fund					32,500	32,500	32,500	39,400	39,400	39,400
Project Total					32,500	32,500	32,500	39,400	39,400	39,400
3	EXPAN GOLD- Commissioners Office									
ABR112A0003	Provide additional funds for operating expenses.									
General Fund					48,200	48,200	48,200	58,400	58,400	58,400
Project Total					48,200	48,200	48,200	58,400	58,400	58,400
4	EXPAN GOLD- Office of Field Services									
ABR112A0006	Provide additional funds for operating expenses.									
General Fund					66,000	66,000	66,000	79,900	79,900	79,900
Project Total					66,000	66,000	66,000	79,900	79,900	79,900
5	EXPAN GOLD- Office of Grants									
ABR112A0004	General Fund for additional operating , Agency Revenues for Body Armor Program, Federal Funds for CDBG program.									
General Fund					72,500	72,500	72,500	87,800	87,800	87,800
Restricted Funds					26,900	26,900	26,900	26,900	26,900	26,900
Federal Funds					3,133,400	3,133,400	3,133,400	3,133,400	3,133,400	3,133,400
Project Total					3,232,800	3,232,800	3,232,800	3,248,100	3,248,100	3,248,100
6	NEW Gateway Regional Arts Center									
ABR112A0024	Provide General Fund support for the operations of the Gateway Regional Arts Center.									
General Fund					50,000			50,000		
Project Total					50,000			50,000		
7	CONT Joint Funding Agreement									
ABR112A0025	Provide additional General Fund support for administration of the Area Development Districts.									
General Fund					500,000	500,000	500,000	500,000	500,000	500,000
Project Total					500,000	500,000	500,000	500,000	500,000	500,000
8	NEW Debt Service - Owenton/Owen County Natural Gas Line Capital Project.									
ABR112A0026	Provide General Fund debt service for \$5.0 million Bond project, the Owenton/Owen Co. Natural Gas Line.									
General Fund								234,000	234,000	234,000
Project Total								234,000	234,000	234,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Governors Office for Local Development

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
9	NEW	Allen County Youth Inc. Girls Softball								
ABR112A0027		Provide General Fund support.								
General Fund					20,000					
Project Total					20,000					
10	NEW	Allen County Schools - Allen Co. Intermediate Center Playground								
ABR112A0028		Provide General Fund support for construction and equipment for a playground.								
General Fund					150,000					
Project Total					150,000					
11	NEW	12 Multi-County Regional Industrial Park Authorities								
ABR112A0029		Provide Restricted Funds to be divided equally among the 12 multi-co. regional industrial park authorities for maint., marketing, insurance. Funds from LGEDF Multi-Co. Fund.								
Restricted Funds					300,000	300,000	300,000	300,000	300,000	300,000
Project Total					300,000	300,000	300,000	300,000	300,000	300,000
12	NEW	Debt Service- City of Winchester Community Center								
ABR112A0030		Provide debt service on the City of Winchester Community Center (\$1.4 million Bond Funds).								
General Fund								68,000		
Project Total								68,000		
13	NEW	Buckhorn Childrens Home								
ABR112A0031		Provide Restricted Funds from the LGEDF Multi-Co. Fund for a grant.								
Restricted Funds					500,000	500,000	500,000			
Project Total					500,000	500,000	500,000			
14	NEW	Woodford County Fiscal Court - Falling Springs Recreational Center								
ABR112A0032		Provide General Fund grant								
General Fund		500,000								
Project Total		500,000								
15	NEW	Hopkins County Fiscal Court - Completion of city building and senior citizens building in White Plains								
ABR112A0033		Provide General Fund grant								
General Fund					200,000					
Project Total					200,000					

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			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
16	NEW	Debt Service for Union County Jail									
ABR112A0034			Provide General Fund debt service for \$6,000,000 Bond Fund								
General Fund									281,000		
Project Total									281,000		
17	NEW	Move Nicholas Hildreth School to Blue Licks State Park									
ABR112A0035			Provide General Fund grant								
General Fund						60,000					
Project Total						60,000					
18	NEW	Caldwell County Fiscal Court - County Jail Expansion									
ABR112A0036			Provide General Fund grant								
General Fund									250,000		
Project Total									250,000		
19	NEW	Debt Service for Community Ventures in Fayette County, Third Street land acquisition									
ABR112A0037			Provide General Fund debt service for \$650,000 Bond Fund								
General Fund									33,000		
Project Total									33,000		
20	NEW	Fayette County Urban Government - Frederick Douglas Community Learning Center									
ABR112A0038			Provide General Fund grant								
General Fund						300,000					
Project Total						300,000					
21	NEW	Jessamine County Fiscal Court - Building Restoration in Nicholasville									
ABR112A0039			Provide General Fund grant								
General Fund						300,000	300,000	300,000			
Project Total						300,000	300,000	300,000			
22	NEW	City of Nicholasville - Skate Park Construction									
ABR112A0040			Provide General Fund grant								
General Fund						200,000					
Project Total						200,000					
23	NEW	Bracken County Health Department									
ABR112A0041			Provide General Fund grant								
General Fund						100,000					
Project Total						100,000					

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		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
24	NEW	Lewisburg Fire Department - New Building								
ABR112A0042		Provide General Fund grant								
General Fund								300,000		
Project Total								300,000		
25	NEW	Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia								
ABR112A0043		Provide General Fund grant								
General Fund					100,000	100,000	100,000			
Project Total					100,000	100,000	100,000			
26	NEW	Marshall County - Marshall River Port Authority at Calvert City - Infrastructure								
ABR112A0044		Provide General Fund debt service for \$2,000,000 Bond Fund								
General Fund								96,000		
Project Total								96,000		
27	NEW	Marshall County Fiscal Court - Water Lines								
ABR112A0045		Provide General Fund debt service for \$1,000,000 Bond Fund								
General Fund								49,000		
Project Total								49,000		
28	NEW	Lyon County Fiscal Court - Kuttawa Sewer and Water Project								
ABR112A0046		Provide General Fund debt service for \$500,000								
General Fund								26,000		
Project Total								26,000		
29	NEW	Lyon County Fiscal Court - Eddyville Sewer and Water Project								
ABR112A0047		Provide General Fund debt service for \$500,000 bond								
General Fund								26,000		
Project Total								26,000		
30	NEW	Shively City Hall								
ABR112A0048		Provide General Fund grant								
General Fund					19,500					
Project Total					19,500					
31	NEW	Shively Park Walking Path								
ABR112A0049		Provide General Fund grant								
General Fund					142,600					
Project Total					142,600					

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		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
32	NEW	Scott County Fiscal Court - Buffalo Park Improvement and Infrastructure								
ABR112A0050	Provide General Fund grant									
General Fund					150,000	150,000	150,000			
Project Total					150,000	150,000	150,000			
33	NEW	Hardin County Fiscal Court - Rineyville Community Park								
ABR112A0051	Provide General Fund grant									
General Fund					100,000			100,000		
Project Total					100,000			100,000		
34	NEW	Jefferson County - Center for Women and Families								
ABR112A0052	Provide General Fund debt service for \$1,000,000 bond									
General Fund								49,000		
Project Total								49,000		
35	NEW	Jefferson County - Fairdale Community Center								
ABR112A0053	Provide General Fund debt service for \$300,000 bond									
General Fund								17,000		
Project Total								17,000		
36	NEW	Jefferson County - Farnsley/Moremen Landing Home								
ABR112A0054	Provide General Fund debt service for \$260,000 bond									
General Fund								15,000		
Project Total								15,000		
37	NEW	Jefferson County - Renovation of Portland Museum								
ABR112A0055	Provide General Fund grant									
General Fund					150,000					
Project Total					150,000					
38	NEW	Jefferson County - Capital Improvements for Actors Theatre of Louisville								
ABR112A0056	Provide General Fund debt service for \$900,000 bond									
General Fund								45,000		
Project Total								45,000		
39	NEW	Madison County Hospice								
ABR112A0057	Provide General Fund grant									
General Fund					400,000					
Project Total					400,000					

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		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
40	NEW	Greenup County - Raceland Worthington Arts Center								
	ABR112A0058	Provide General Fund grant								
	General Fund				250,000					
	Project Total				250,000					
41	NEW	City of Bowling Green - Bowling Green Chamber Orchestra (Personnel)								
	ABR112A0059	Provide General Fund grant								
	General Fund				10,000			10,000		
	Project Total				10,000			10,000		
42	NEW	Warren County - Lost River Gateway Visitors Center								
	ABR112A0060	Provide General Fund grant								
	General Fund				75,000			100,000		
	Project Total				75,000			100,000		
43	NEW	Warren County - Transpark - Rail Spur								
	ABR112A0061	Provide General Fund debt service for \$4,500,000 Bond Funds.								
	General Fund							211,000	422,000	422,000
	Project Total							211,000	422,000	422,000
44	NEW	Louisville Metro Government - Louisville Central Community Centers - Job Readiness Skills for Disadvantaged Adults								
	ABR112A0062	Provide General Fund grant								
	General Fund				50,000					
	Project Total				50,000					
45	NEW	City of Covington - Timesstar Commons - Planning								
	ABR112A0063	Provide General Fund grant.								
	General Fund				250,000	1,000,000	250,000			
	Project Total				250,000	1,000,000	250,000			
46	NEW	City of Covington - West Covington Firestation Property Acquisition								
	ABR112A0064	Provide General Fund debt service for \$300,000 bond								
	General Fund							17,000		
	Project Total							17,000		
47	NEW	City of Park Hills in Northern Kentucky for Site Preparation and Sidewalk Construction								
	ABR112A0065	Provide General Fund grant								
	General Fund				250,000					
	Project Total				250,000					

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		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
48	NEW	City of Park Hills in Northern Kentucky for Thermo-Imaging Camera for Fire Department								
	ABR112A0066	Provide General Fund grant								
	General Fund				12,500					
	Project Total				12,500					
49	NEW	City of Owensboro - Owensboro River Park Center								
	ABR112A0067	Provide General Fund grant								
	General Fund				250,000			250,000		
	Project Total				250,000			250,000		
50	NEW	City of Jeffersontown - Jeffersontown Library Branch - Computer and Books								
	ABR112A0068	Provide General Fund grant								
	General Fund				25,000					
	Project Total				25,000					
51	NEW	City of Jeffersontown - Jefferson County Youth Leagues Infrastructure Improvement								
	ABR112A0069	Provide General Fund grant								
	General Fund				25,000					
	Project Total				25,000					
52	NEW	City of Jeffersontown - Jeffersontown Area Ministries								
	ABR112A0070	Provide General Fund grant								
	General Fund				20,000			20,000		
	Project Total				20,000			20,000		
53	NEW	Graves County - Sidewalk Improvements, Park Development, Soccer Field Debt Retirement								
	ABR112A0071	Provide General Fund grant								
	General Fund				300,000					
	Project Total				300,000					
54	NEW	Daviess County Fiscal Court - Juvenile Detention Center								
	ABR112A0072	Provide General Fund debt service for \$500,000 bond								
	General Fund				26,000			52,000		
	Project Total				26,000			52,000		
55	NEW	Rowan County Fiscal Court - Rowan County Economic Development Office Design								
	ABR112A0073	Provide General Fund grant								
	General Fund				150,000					
	Project Total				150,000					

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		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
56	NEW	Wolfe County Fiscal Court - Lee City Fire Station Land and Building								
	ABR112A0074	Provide General Fund grant								
	General Fund				80,000					
	Project Total				80,000					
57	NEW	Pulaski County Fiscal Court - Parks and Recreation Development								
	ABR112A0075	Provide General Fund grant								
	General Fund				400,000					
	Project Total				400,000					
58	NEW	Buckhorn Childrens Foundation								
	ABR112A0076	Provide General Fund grant								
	General Fund				500,000					
	Project Total				500,000					
59	NEW	Elliot County Fiscal Court - Recreational Complex								
	ABR112A0077	Provide General Fund grant								
	General Fund				500,000					
	Project Total				500,000					
60	NEW	Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park								
	ABR112A0078	Provide General Fund debt service for \$1,000,000 bond								
	General Fund							49,000		
	Project Total							49,000		
61	NEW	Woodford County Fiscal Court - Senior Citizens Center Renovation								
	ABR112A0079	Provide General Fund debt service for \$1,000,000 bond								
	General Fund							49,000		
	Project Total							49,000		
62	NEW	City of Pineville - Pineville Public Library Furnishings								
	ABR112A0080	Provide General Fund grant								
	General Fund				100,000					
	Project Total				100,000					
63	NEW	City of Providence - Sewer Line Expansion								
	ABR112A0081	Provide General Fund debt service for \$950,000 bond								
	General Fund							47,000		
	Project Total							47,000		

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		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
64	NEW	McLean County Fiscal Court - Planning and Design of the Myer Creek Agricultural Complex								
	ABR112A0082	Provide General Fund grant								
	General Fund				250,000					
	Project Total				250,000					
65	NEW	McLean County Fiscal Court - Planning and Design of the Public Library								
	ABR112A0083	Provide General Fund grant								
	General Fund				100,000					
	Project Total				100,000					
66	NEW	Fayette County - Aviation Museum of Kentucky - Design and Construction								
	ABR112A0084	Provide General Fund debt service for \$606,000 bond								
	General Fund							31,000		
	Project Total							31,000		
67	NEW	Fayette County - Central Kentucky Blood Center Equipment								
	ABR112A0085	Provide General Fund grant								
	General Fund				500,000					
	Project Total				500,000					
68	NEW	Jackson County Fiscal Court - Land Acquisition and Development for Flat Lick Falls Recreational Park								
	ABR112A0086	Provide General Fund grant								
	General Fund				250,000					
	Project Total				250,000					
69	NEW	City of McKee - Roadside Park Enhancements								
	ABR112A0087	Provide General Fund grant								
	General Fund				150,000					
	Project Total				150,000					
70	NEW	Lincoln County Fiscal Court - First Southern Veterans Park								
	ABR112A0088	Provide General Fund grant.								
	General Fund				500,000					
	Project Total				500,000					
71	NEW	Jefferson County - Farnsley/Moreman Landing								
	ABR112A0089	Provide General Fund Grant								
	General Fund				150,000					
	Project Total				150,000					

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			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
72	NEW	City of Ludlow - Municipal Meeting Center									
ABR112A0090			Provide General Fund grant								
General Fund						225,000	225,000	225,000			
Project Total						225,000	225,000	225,000			
73	NEW	City of Princeton - Phase II Streetscape									
ABR112A0091			Provide General Fund grant								
General Fund									250,000		
Project Total									250,000		
74	NEW	Crittenden County Fiscal Court - New Jail Property Purchase and Site Prep.									
ABR112A0092			Provide General Fund grant								
General Fund						225,000					
Project Total						225,000					
75	NEW	Muhlenberg County Fiscal Court - Muhlenberg Co. Agricultural Center									
ABR112A0093			Provide General Fund grant								
General Fund						100,000					
Project Total						100,000					
76	NEW	University of Kentucky College of Agriculture - Small Wineries Assistance									
ABR112A0094			Provide General Fund grant								
General Fund									250,000		
Project Total									250,000		
77	NEW	Community Development Fund Projects									
ABR112A0096			Provide debt service for a pool of Bond Funded projects totaling \$75,658,000.								
General Fund											7,045,000
Project Total											7,045,000
78	NEW	Debt Service - Louisville Zoo - Glacier Run									
ABR112A0097			Provide General Fund debt service of \$561,000 in fiscal year 2007-2008 to support \$6.0 million Bond Funds.								
General Fund											561,000
Project Total											561,000
TOTAL ADDITIONAL			500,000			12,883,800	6,493,200	5,743,200	7,247,700	4,928,700	12,534,700

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	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Governors Office for Local Development									
Agency Revenue Fund		1,817,800							
TOTAL		1,817,800							

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BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Office of the Commissioner, Restricted Funds of \$296,200 and from the Office of Financial Management, Restricted Funds of \$1,521,600 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Flood Control Matching Fund Project Review: The Governor's Office for Local Development shall transmit a copy of the application for a flood-related project to be funded from the flood control matching fund to the Environmental and Public Protection Cabinet with a request for a review of the project pursuant to KRS Chapter 151."

"Community Economic Growth Grant Program: Included in the above General Fund appropriation is \$468,000 in fiscal year 2007-2008 to provide new debt service for the Community Economic Development Program as set forth in Part II, Capital Projects Budget, of this Act. The grant program is created to assist counties, cities, local health departments, special districts, or local school districts with funding of projects that will enhance the economic development of their community.

The Community Economic Growth Grant Program shall be administered by the Governor's Office for Local Development and maintained in the State Treasury. The department may receive state appropriations, gifts, grants, and federal funds that shall be disbursed by the State Treasurer upon the warrant of the Commissioner of the Governor's Office for Local Development.

Notwithstanding KRS 45.229, any funds remaining at the end of a fiscal year shall not lapse and shall be available for expenditure in the subsequent fiscal year.

Moneys in the fund shall be used for capital projects that contribute to community or industrial development in the Commonwealth. Capital projects eligible for financing out of the fund may include but not be limited to:

- (a) The construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate and the architectural, engineering, legal, and other expenses required;
- (b) The acquisition of real property and interests in real property;

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- (c) The purchase of major equipment;
- (d) Industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and construction of walkways and fences;
- (e) The extension, installation, and upgrading of water, gas, sewer, and electrical utilities to public facilities and industrial sites;
- (f) To match or use in combination with funds obtained from other sources for an eligible capital improvement project.

Any county, city, local health department, special district, or local school district governing body shall submit proposals through its Area Development District for consideration by the Commissioner of the Governor's Office for Local Development. The Area Development District shall review each proposal and forward the proposal to the Commissioner of the Governor's Office for Local Development for final consideration and action.

Project proposals shall include: a detailed description of the project; a statement of the public benefit derived from the project; design plans and specifications, if applicable; an itemized estimate of the cost of the project; source of other funds or in-kind match; and other information that the Governor's Office for Local Development may require.

Annually, by October 1 each year, the Commissioner of the Governor's Office for Local Development shall report on this program to the Interim Joint Committee on Appropriations and Revenue."

The State/Executive Branch Budget Bill, Part I, Operating Budget provides General Fund appropriation of \$468,000 in fiscal year 2007-2008 for debt service on \$5,000,000 Bond Funds for the Community Economic Development Growth Grant Program in the Capital Budget; General Fund appropriation of \$257,900 in fiscal year 2006-2007 and \$312,400 in fiscal year 2007-2008 for additional operating funds; Restricted Funds of \$26,900 in each fiscal year for the Body Armor Program; and Federal Funds of \$3,133,400 in each fiscal year for the Community Development Block Grant.

Included in the Baseline Budget of the State/Executive Branch Budget Bill, Part I, Operating Budget is General Fund appropriation of \$250,000 each fiscal year for the River Park Center in Owensboro, \$100,000 each fiscal year for the Richmond Arts Center, \$1.0 million each fiscal year for the Trover Clinic (these funds were derived from coal severance revenues), \$95,500 each fiscal year for the Chase Municipal Law Center, \$2.0 million each fiscal year for the Renaissance Kentucky Cities program.

Also provided in the State/Executive Branch Budget Bill, Part I, Operating Budget is General Fund appropriation of \$669,700 in fiscal year 2006-2007 and \$728,000 in fiscal year 2007-2008, derived from coal severance revenues, for the administrative costs associated with managing the Local Government Economic Development Fund (LGEDF) single county grants.

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HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides additional General Fund and Restricted Funds support as indicated below in the additional language provisions.

The House does not provide funding for the Community Economic Growth Grant Program.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Owenton/Owen County Natural Gas Line Project: Included in the above General Fund appropriation is \$234,000 in fiscal year 2007-2008 to provide new debt service for the Owenton/Owen County Natural Gas Line Project as set forth in Part II, Capital Projects Budget, of this Act."

"Richmond Arts Council: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to the Richmond Arts Council."

"Knott County Art Center: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008 for a grant to the Knott County Art Center."

"Chase Municipal Law Center: Included in the above General Fund appropriation is \$95,500 in fiscal year 2006-2007 and \$95,500 in fiscal year 2007-2008 for a grant to the Chase Municipal Law Center at Northern Kentucky University."

"Renaissance on Main: Included in the above General Fund appropriation is \$2,000,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-2008 for the Renaissance on Main Program."

"Gateway Regional Center for the Arts: Included in the above General Fund appropriation is \$50,000 in fiscal year 2006-2007 and \$50,000 in fiscal year 2007-2008 for the Gateway Regional Center for the Arts."

"Allen County Schools - Allen County Intermediate Center: Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for the construction of a playground and recreation facility, including equipment purchase, for the Allen County Schools, Allen County Intermediate Center."

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"Allen County - Youth Inc. and Girls Softball: Included in the above General Fund appropriation is \$20,000 in fiscal year 2006-2007 for improvements to the facilities of the Allen County Youth Inc. and Girls Softball."

"Support of the 12 Multicounty Regional Industrial Park Authorities: Included in the above Restricted Funds appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 in support of the 12 multicounty regional industrial park authorities. Funds shall be distributed equally to the 12 multicounty regional industrial park authorities for marketing and maintenance of the industrial parks and the procurement of property and casualty insurance on the parks."

"City of Winchester Community Center: Included in the above General Fund appropriation is \$68,000 in fiscal year 2007-2008 to provide debt service for the City of Winchester Community Center project, as set forth in Part II, Capital Projects Budget, of this Act."

"Buckhorn Children's Home: Included in the above Restricted Funds appropriation is \$500,000 in fiscal year 2006-2007 for a grant to the Buckhorn Children's Home."

"Prior Year Funded Community Development Projects: Notwithstanding any statutory provision or agreement between a state agency and any local government to the contrary, any fund balance remaining in any Community Development Project appropriated in 2000 Ky. Acts ch. 549, Part II, Section R, remain authorized and shall be retained by the local entity and expended in a manner consistent with the intent and purpose of the appropriation. The Secretary of the Finance and Administration Cabinet, pursuant to KRS 48.500, shall make any determination necessary to effect this provision."

"Cemetery Preservation Fund: Included in the above Restricted Funds appropriation is \$25,000 in fiscal year 2006-2007 and \$25,000 in fiscal year 2007-2008 for the Fayette County African Cemetery #2 and \$25,000 in fiscal year 2006-2007 and \$25,000 in fiscal year 2007-2008 for the Fayette County Cove Haven Cemetery. The Fayette County African Cemetery #2 and the Fayette County Cove Haven Cemetery shall provide an in-kind match."

"Debt Service - Union County Jail: Included in the above General Fund appropriation is \$281,000 in fiscal year 2007-2008 for debt service to support \$6,000,000 Bond Funds for the Union County Fiscal Court - Union County Jail, as set forth in Part II, Capital Projects Budget, of this Act."

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"Debt Service - Fayette County Urban County Government Community Ventures - Third Street Land Acquisition: Included in the above General Fund appropriation is \$33,000 in fiscal year 2007-2008 for debt service to support \$650,000 Bond Funds for the Fayette County Urban County Government Community Ventures for Third Street Land Acquisition, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Marshall County - Marshall River Port Authority at Calvert City Infrastructure: Included in the above General Fund appropriation is \$96,000 in fiscal year 2007-2008 for debt service to support \$2,000,000 Bond Funds for the Marshall County - Marshall River Port Authority at Calvert City Infrastructure, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Marshall County Fiscal Court - Water Lines: Included in the above General Fund appropriation is \$49,000 in fiscal year 2007-2008 for debt service to support \$1,000,000 Bond Funds for the Marshall County Fiscal Court for water lines , as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Lyon County Fiscal Court - Kuttawa Sewer and Water Project: Included in the above General Fund appropriation is \$26,000 in fiscal year 2007-2008 for debt service to support \$500,000 Bond Funds for the Lyon County Fiscal Court for the Kuttawa Sewer and Water Project, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Lyon County Fiscal Court - Eddyville Sewer and Water Project: Included in the above General Fund appropriation is \$26,000 in fiscal year 2007-2008 for debt service to support \$500,000 Bond Funds for the Lyon County Fiscal Court for the Eddyville Sewer and Water Project, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Jefferson County - Center for Women and Families Capital Construction: Included in the above General Fund appropriation is \$49,000 in fiscal year 2007-2008 for debt service to support \$1,000,000 Bond Funds for the Jefferson County - Center for Women and Families for Capital Construction, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Jefferson County - Fairdale Community Center: Included in the above General Fund appropriation is \$17,000 in fiscal year 2007-2008 for debt service to support \$300,000 Bond Funds for the Jefferson County - Fairdale Community Center, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Jefferson County - Farnsley/Moreman Landing: Included in the above General Fund appropriation is \$15,000 in fiscal year 2007-2008 for debt service to support \$260,000 Bond Funds for the Jefferson County - Farnsley/Moreman Landing project,

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as set forth in Part II, Capital Projects Budget, of this Act. The project shall provide \$130,000 for Chapel Restoration and \$130,000 for Aydelott-Rosenberger House project. Included in the above appropriation is \$150,000 of General Fund support for this project in fiscal year 2006-2007."

"Debt Service - Jefferson County - Capital Improvements for Actors Theatre of Louisville: Included in the above General Fund appropriation is \$45,000 in fiscal year 2007-2008 for debt service to support \$900,000 Bond Funds for Capital Improvements for Actors Theatre of Louisville, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Warren County Fiscal Court - Transpark - Rail Spur: Included in the above General Fund appropriation is \$211,000 in fiscal year 2007-2008 for debt service to support \$4,500,000 Bond Funds for the Warren County Fiscal Court - Transpark - Rail Spur, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - City of Covington - West Covington Fire Station Property Acquisition: Included in the above General Fund appropriation is \$17,000 in fiscal year 2007-2008 for debt service to support \$300,000 Bond Funds for the City of Covington - West Covington Fire Station Property Acquisition, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Daviess County Fiscal Court - Juvenile Detention Center: Included in the above General Fund appropriation is \$26,000 in fiscal year 2006-2007 and \$52,000 in fiscal year 2007-2008 for debt service to support \$500,000 Bond Funds for the Daviess County Fiscal Court for the renovation and reopening of a Juvenile Detention Center, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park: Included in the above General Fund appropriation is \$49,000 in fiscal year 2007-2008 for debt service to support \$1,000,000 Bond Funds for the Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Woodford County Fiscal Court - Senior Citizens Center Renovation: Included in the above General Fund appropriation is \$49,000 in fiscal year 2007-2008 for debt service to support \$1,000,000 Bond Funds for the Woodford County Fiscal Court - Senior Citizens Center Renovation, as set forth in Part II, Capital Projects Budget, of this Act."

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"Debt Service - City of Providence - Sewer Line Expansion: Included in the above General Fund appropriation is \$47,000 in fiscal year 2007-2008 for debt service to support \$950,000 Bond Funds for the City of Providence for Sewer Line Expansion, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Fayette County - Aviation Museum of Kentucky - Design and Construction: Included in the above General Fund appropriation is \$31,000 in fiscal year 2007-2008 for debt service to support \$606,000 Bond Funds for the Fayette County - Aviation Museum of Kentucky - Design and Construction, as set forth in Part II, Capital Projects Budget, of this Act."

"Woodford County Fiscal Court - Falling Springs Recreational Center: Included in the above General Fund appropriation is \$500,000 in fiscal year 2005-2006 for a grant to Woodford County Fiscal Court for the Falling Springs Recreational Center."

"Hopkins County Fiscal Court - Completion of City Building and Senior Citizens Building in White Plains: Included in the above General Fund appropriation is \$200,000 in fiscal year 2006-2007 for a grant to Hopkins County Fiscal Court for the completion of a City Building and Senior Citizens Building in White Plains."

"Nicholas Hildreth School - Move to Blue Lick State Park: Included in the above General Fund appropriation is \$60,000 in fiscal year 2006-2007 for a grant to move Nicholas Hildreth School to Blue Lick State Park."

"Caldwell County Fiscal Court - County Jail Expansion: Included in the above General Fund appropriation is \$250,000 in fiscal year 2007-2008 for a grant to Caldwell County Fiscal Court for County Jail Expansion."

"Lexington-Fayette Urban County Government - Frederick Douglas Community Learning Center: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 for a grant to the Lexington-Fayette Urban County Government for the Frederick Douglas Community Learning Center."

"Jessamine County Fiscal Court - Building Restoration in Nicholasville: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 for a grant to Jessamine County Fiscal Court for building restoration in Nicholasville."

"City of Nicholasville - Skate Park Construction: Included in the above General Fund appropriation is \$200,000 in fiscal year 2006-2007 for a grant to the City of Nicholasville for skate park construction."

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"Bracken County Health Department: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 for a grant to Bracken County Health Department."

"Lewisburg Fire Department - New Building: Included in the above General Fund appropriation is \$300,000 in fiscal year 2007-2008 for a grant to Lewisburg Fire Department - New Building."

"Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 for a grant to Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia."

"Shivley City Hall: Included in the above General Fund appropriation is \$19,500 in fiscal year 2006-2007 for a grant to the City of Shivley for operating expenses."

"Shivley Park Walking Path: Included in the above General Fund appropriation is \$142,600 in fiscal year 2006-2007 for a grant to the City of Shively for the Shively Park Walking Path."

"Scott County Fiscal Court - Buffalo Park Improvement and Infrastructure: Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for a grant to Scott County Fiscal Court for the Buffalo Park Improvement and Infrastructure."

"Hardin County Fiscal Court - Rineyville Community Park: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to Hardin County Fiscal Court for the Rineyville Community Park."

"Jefferson County - Renovation of the Portland Museum: Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for a grant to Louisville Metro Government for the renovation of the Portland Museum."

"Madison County Hospice: Included in the above General Fund appropriation is \$400,000 in fiscal year 2006-2007 for a grant to Madison County Hospice."

"Greenup County - Raceland Worthington Arts Center: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to Greenup County for the Raceland Worthington Arts Center."

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"City of Bowling Green - Bowling Green Chamber Orchestra (Personnel): Included in the above General Fund appropriation is \$10,000 in fiscal year 2006-2007 and \$10,000 in fiscal year 2007-2008 for a grant to the City of Bowling Green for the Bowling Green Chamber Orchestra for personnel."

"Warren County - Lost River Gateway Visitors Center: Included in the above General Fund appropriation is \$75,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to Warren County for the Lost River Gateway Visitors Center."

"Louisville Central Community Centers - Job Readiness Skills for Disadvantaged Adults: Included in the above General Fund appropriation is \$50,000 in fiscal year 2006-2007 for a grant to Louisville Metro Government for the Louisville Central Community Centers Job Readiness Skills for Disadvantaged Adults program."

"City of Covington - Timestar Commons - Planning: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to the City of Covington for Timestar Commons planning."

"City of Park Hills in Northern Kentucky for Site Preparation and Sidewalk Construction: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to the City of Park Hill in Northern Kentucky for Site Preparation and Sidewalk Construction."

"City of Park Hills in Northern Kentucky for Thermoimaging Camera for Fire Department: Included in the above General Fund appropriation is \$12,500 in fiscal year 2006-2007 for a grant to the City of Park Hills in Northern Kentucky for a thermoimaging camera."

"City of Owensboro - Owensboro River Park Center: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008 for a grant to the City of Owensboro for the Owensboro River Park Center."

"City of Jeffersontown - Jeffersontown Library Branch - Computer and Books: Included in the above General Fund appropriation is \$25,000 in fiscal year 2006-2007 for a grant to the City of Jeffersontown for the Jeffersontown Library Branch for a computer and books."

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Local Government

"City of Jeffersontown - Jefferson County Youth Leagues Infrastructure Improvement: Included in the above General Fund appropriation is \$25,000 in fiscal year 2006-2007 for a grant to the City of Jeffersontown for the Jefferson County Youth Leagues for infrastructure improvements."

"City of Jeffersontown - Jeffersontown Area Ministries: Included in the above General Fund appropriation is \$20,000 in fiscal year 2006-2007 and \$20,000 in fiscal year 2007-2008 for a grant to the City of Jeffersontown for Jeffersontown Area Ministries."

"Graves County - Sidewalk Improvements, Park Development, Soccer Field Debt Service: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 for a grant to Graves County for sidewalk improvements, park development, and soccer field debt service."

"Rowan County Fiscal Court - Rowan County Economic Development Office Design: Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for a grant to Rowan County Fiscal Court for the Rowan County Economic Development Office design."

"Wolfe County Fiscal Court - Hazel Green Fire Department for Lee City Expansion for Land and Building: Included in the above General Fund appropriation is \$80,000 in fiscal year 2006-2007 for a grant to Wolfe County Fiscal Court for the Hazel Green Fire Department for Lee City Expansion to be used for land and building."

"Pulaski County Fiscal Court - Parks and Recreation Development: Included in the above General Fund appropriation is \$400,000 in fiscal year 2006-2007 for a grant to Pulaski County Fiscal Court for parks and recreation development."

"Buckhorn Children's Foundation: Included in the above General Fund appropriation is \$500,000 in fiscal year 2006-2007 for a grant to the Buckhorn Children's Foundation."

"Elliott County Fiscal Court - Recreational Complex: Included in the above General Fund appropriation is \$500,000 in fiscal year 2006-2007 for a grant to Elliott County Fiscal Court for a recreational complex."

"City of Pineville - Pineville Public Library Furnishings: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 for a grant to the City of Pineville for the Pineville Public Library furnishings."

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"McLean County Fiscal Court - Planning and Design of the Myer Creek Agricultural Complex: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to McLean County Fiscal Court for planning and design of the Myer Creek Agricultural Complex."

"McLean County Fiscal Court - Planning and Design of the Public Library: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 for a grant to McLean County Fiscal Court for the planning and design of a public library."

"Fayette County - Central Kentucky Blood Center Equipment: Included in the above General Fund appropriation is \$500,000 in fiscal year 2006-2007 for a grant to Lexington-Fayette Urban County Government for the Central Kentucky Blood Center equipment purchase."

"Jackson County Fiscal Court - Land Acquisition and Development for Flat Lick Falls Recreational Park: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to Jackson County Fiscal Court for land acquisition and development for Flat Lick Falls Recreational Park."

"City of McKee - Roadside Park Enhancements: Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for a grant to the City of McKee for enhancements to the roadside park."

"Lincoln County Fiscal Court - First Southern Veterans Park: Included in the above General Fund appropriation is \$500,000 in fiscal year 2006-2007 for a grant to Lincoln County Fiscal Court for the First Southern Veterans Park."

"City of Ludlow - Municipal Meeting Center: Included in the above General Fund appropriation is \$225,000 in fiscal year 2006-2007 for a grant to the City of Ludlow for Phases I through III of the upgrade and renovation of the Municipal Meeting Center."

"City of Princeton - Phase II Streetscape: Included in the above General Fund appropriation is \$250,000 in fiscal year 2007-2008 for a grant to the City of Princeton for Phase II of the streetscape project."

"Crittenden County Fiscal Court - New Jail Property Purchase and Site Prep: Included in the above General Fund appropriation is \$225,000 in fiscal year 2006-2007 for a grant to the Crittenden County Fiscal Court for the purchase of property and site preparation for a new full service jail."

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"Muhlenberg County Fiscal Court - Muhlenberg County Agricultural Center: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 for a grant to the Muhlenberg County Fiscal Court for the Muhlenberg County Agricultural Center."

"University of Kentucky College of Agriculture - Small Wineries Assistance: Included in the above General Fund appropriation is \$250,000 in fiscal year 2007-2008 for a grant to the University of Kentucky College of Agriculture to assist small wineries as defined in KRS 241.010."

The House does not include the language provision relating to the Community Economic Growth Grant Program.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, by not providing for the Community Economic Growth Grant Program.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include funding for the Owenton/Owen Owen County Natural Gas Line, City of Winchester Community Center, Union County Fiscal Court - Union County Jail, Fayette County Urban Government Community Ventures - Third Street Land Acquisition, Marshall County - Marshall River Port Authority at Calvert City Infrastructure, Marshall County Fiscal Court - Water Lines, Lyon County Fiscal Court - Kuttawa Sewer and Water Project, Lyon County Fiscal Court - Eddyville Sewer and Water Project, Jefferson County - Center for Women and Families Capital Construction, Jefferson County - Fairdale Community Center, Jefferson County - Farnsley/Moremen Landing, Jefferson County - Capital Improvements for Actors Theatre of Louisville, Warren County Fiscal Court - Transpark - Rail Spur, City of Covington - West Covington Fire Station Property Acquisition, Daviess County Fiscal Court - Owensboro Jail Renovation, Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park, Woodford county Fiscal Court - Senior Citizens Center Renovation, City of Providence - Sewer Line Expansion, and Fayette County - Aviation Museum of Kentucky - Design and Construction.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate reduces in Part I, Operating Budget, General Fund support of \$500,000 in fiscal year 2005-2006, \$6,364,600 in fiscal year 2006-2007 and \$1,580,000 in fiscal year 2007-2008 for line item grants.

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The Senate reduces in Part I, Operating Budget, General Fund debt service of \$26,000 in fiscal year 2006-2007 and \$739,000 in fiscal year 2007-2008 for Bond Funded grant projects.

The Senate deletes in Part I, Operating Budget, language provisions related to Richmond Arts Council, Knott County Art Center, Chase Municipal Law Center, Renaissance on Main, Gateway Regional Center for the Arts, Allen County Schools - Allen County Intermediate Center, Allen County - Youth Inc and Girls Softball, City of Winchester Community Center, Cemetery Preservation Fund, Debt Service - Union County Jail, Debt Service - Fayette County Urban County Government Community Ventures - Third Street Land Acquisition, Debt Service - Marshall County - Marshall River Port Authority at Calvert City Infrastructure, Debt Service - Marshall County Fiscal Court - Water Lines, Debt Service - Lyon County Fiscal Court - Kuttawa Sewer and Water Project, Debt Service - Lyon County Fiscal Court - Eddyville Sewer and Water Project, Debt Service - Jefferson County - Center for Women and Families Capital Construction, Debt Service - Jefferson County - Fairdale Community Center, Debt Service - Jefferson County - Farnsley/Moreman Landing, Debt Service - Jefferson County - Capital Improvements for Actors Theatre of Louisville, Debt Service - City of Covington - West Covington Fire Station Property Acquisition, Debt Service - Daviess County Fiscal Court - Juvenile Detention Center, Debt Service - Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park, Debt Service - Woodford County Fiscal Court - Senior Citizens Center, Debt Service - City of Providence - Sewer Line Extension, Debt Service - Fayette County - Aviation Museum of Kentucky - Design and Construction, Woodford County Fiscal Court - Falling Springs Recreational Center, Hopkins County - Completion of City Building and Senior Citizens Building in White Plains, Nicholas Hildreth School - Move to Blue Lick State Park, Caldwell County Fiscal Court - County Jail Expansion, Lexington-Fayette Urban County Government - Frederick Douglas Community Learning Center, City of Nicholasville - Skate Park Construction, Bracken County Health Department, Lewisburg Fire Department - New Building, Shivley City Hall, Shivley Park Walking Path, Hardin County Fiscal Court - Rineyville Community Center, Jefferson County - Renovation of the Portland Museum, Madison County Hospice, Greenup County - Raceland Worthington Arts Center, City of Bowling Green Chamber Orchestra (Personnel), Warren County - Lost River Gateway Visitors Center, Louisville Central Community Centers - Job Readiness Skills for Disadvantaged Adults, City of Park Hills in Northern Kentucky for Site Preparation and Sidewalk Construction, City of Park Hills in Northern Kentucky for Thermoimaging Camera for Fire Department, City of Owensboro - Owensboro River Park Center, City of Jeffersontown - Jeffersontown Library Branch - Computer and Books, City of Jeffersontown - Jefferson County Youth Leagues Infrastructure Improvement, City of Jeffersontown - Jeffersontown Area Ministries, Graves County - Sidewalk Improvements, Park Development, Soccer Field Debt Service, Rowan County Fiscal Court - Rowan County Economic Development Office Design, Wolfe County Fiscal Court - Hazel Green Fire Department for Lee City Expansion for Land and Building, Pulaski County Fiscal Court - Parks and Recreation Development, Buckhorn Children's Foundation, Elliott County Fiscal Court - Recreational Complex, City of Pineville - Pineville Public Library Furnishings, McLean County Fiscal Court - Planning and Design of the Myer Creek Agricultural Complex,

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McLean County Fiscal Court - Planning and Design of the Public Library, Fayette County - Central Kentucky Blood Center Equipment, Jackson County Fiscal Court - Land Acquisition and Development for Flat Lick Falls Recreational Park, City of McKee - Roadside Park Enhancements, Lincoln County Fiscal Court - First Southern Veterans Park, City of Princeton - Phase II Streetscape, Crittenden County Fiscal Court - New Jail Property Purchase and Site Prep., Muhlenberg County Fiscal Court - Muhlenberg County Agricultural Center, and University of Kentucky College of Agriculture - Small Wineries Assistance.

The Senate modifies Part I, Operating Budget, language provisions as follows:

"Prior Year Funded Community Development Projects: Notwithstanding any statutory provision or agreement between a state agency and any local government to the contrary, any fund balance remaining in any Community Development Project appropriated in 2000 Ky. Acts ch. 549, Part II, Section R, remain authorized and may be retained by the local entity and expended in a manner consistent with the intent and purpose of the appropriation. The Secretary of the Finance and Administration Cabinet, pursuant to KRS 48.500, shall make any determination necessary to effect this provision."

"Debt Service - Warren County Fiscal Court - Transpark - Rail Spur: Included in the above General Fund appropriation is \$422,000 in fiscal year 2007-2008 for debt service to support \$4,500,000 Bond Funds for the Warren County Fiscal Court Transpark, for Rail Spur and Infrastructure Improvements, as set forth in Part II, Capital Projects Budget, of this Act."

"City of Covington - Timestar Commons - Planning: Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2006-2007 for a grant to the City of Covington for Timestar Commons planning."

The Senate amends Part V, Funds Transfer, by deleting the Agency Revenue Fund transfer of \$1,817,800 in fiscal year 2005-2006.

The Senate does not provide funding in Part II, Capital Budget, for the Fayette County - Aviation Museum of Kentucky - Design and Construction, City of Winchester Community Center, Union County - Union County Jail, Fayette County Urban County Government Community Ventures - Third Street Land Acquisition, Marshall County - Marshall River Port Authority at Calvert City - Infrastructure, Marshall County Fiscal Court - Water Lines, Lyon County Fiscal Court - Kuttawa Sewer and Water Project, Lyon County Fiscal Court - Eddyville Sewer and Water Project, Jefferson County - Center for Women and Families Capital Construction, Jefferson County - Fairdale Community Center, Jefferson County - Farnsley/Moreman Landing, Jefferson County - Capital Improvements for Actors Theatre of Louisville, City of Covington - West Covington Fire Station Property Acquisition, Daviess County Fiscal Court - Juvenile Detention Center, Woodford County Fiscal Court - Economic Development Authority for the Midway

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Local Government

Industrial Park, Woodford County Fiscal Court - Senior Citizens Center Renovation, and the City of Providence - Sewer Line Expansion.

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference reduces General Fund support totaling \$750,000 in fiscal year 2006-2007 for the City of Covington - Timestar Commons - Planning grant, provides additional General Fund support totaling \$7,045,000 in fiscal year 2007-2008 for debt service on the Community Development Fund Projects and provides additional General Fund support of \$561,000 in fiscal year 2007-2008 for debt service on the Louisville Zoo - Glacier Run Project.

The Conference amends Part I, Operating Budget, language provision as follows:

"City of Covington - Timestar Commons - Planning: Included in the above General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to the City of Covington for Timestar Commons planning."

The Conference adds Part I, Operating Budget, language provisions as follows:

"Richmond Arts Council: Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to the Richmond Arts Council."

"Debt Service - Community Development Fund Projects: Included in the above General Fund appropriation is \$7,045,000 in fiscal year 2007-2008 for debt service to support \$75,658,000 in Bond Funds for the Community Development Fund Projects, as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service - Louisville Zoo - Glacier Run: Included in the above General Fund appropriation is \$561,000 in fiscal year 2007-2008 for debt service on \$6,000,000 Bond Funds for the Louisville Zoo - Glacier Run project as set forth in Part II, Capital Projects Budget, of this Act."

The Conference adds a Part II, Capital Budget, project "Community Development Fund Projects" and provides General Fund support totaling \$20,650,800 in fiscal year 2006-2007, \$8,453,000 in fiscal year 2007-2008 and Bond Funds totaling \$75,658,000 in fiscal

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year 2006-2007. The total project is \$96,308,000 in fiscal year 2006-2007 and \$8,453,000 in fiscal year 2007-2008. The Conference also adds the "Louisville Zoo - Glacier Run project for \$6,000,000 Bond Funds in fiscal year 2006-2007.

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A - General Government

Capital Budget

Governors Office for Local Development

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				800,000	800,000	21,450,800	800,000	800,000	9,253,000
Restricted Funds				700,000	700,000	700,000	700,000	700,000	700,000
Bond Funds				28,366,000	9,500,000	91,158,000			
Investment Income				500,000	500,000	500,000	500,000	500,000	500,000
TOTAL CAPITAL				30,366,000	11,500,000	113,808,800	2,000,000	2,000,000	10,453,000

II. CAPITAL PROJECTS

1 Fayette County - Aviation Museum of Kentucky - Design and Construction

PRJ112A1433

Bond Funds	606,000
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Project Total	606,000
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2 Flood Control Matching Fund/State Owned Dam Repair Pool

PRJ112A1387

General Fund	800,000	800,000	800,000	800,000	800,000	800,000
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Restricted Funds	700,000	700,000	700,000	700,000	700,000	700,000
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Investment Income	500,000	500,000	500,000	500,000	500,000	500,000
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Project Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
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3 Owenton/Owen County Natural Gas Line

PRJ112A1397

Bond Funds	5,000,000	5,000,000	5,000,000
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Project Total	5,000,000	5,000,000	5,000,000
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4 City of Winchester Community Center

PRJ112A1399

Bond Funds	1,400,000
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Project Total	1,400,000
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5 Union County Fiscal Court - Union County Jail

PRJ112A1401

Bond Funds	6,000,000
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Project Total	6,000,000
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Capital Budget

Governors Office for Local Development

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
6	Fayette County Urban Government Community Ventures - Third Street Land Acquisition									
PRJ112A1403										
Bond Funds					650,000					
Project Total					650,000					
7	Marshall County - Marshall River Port Authority at Calvert City - Infrastructure									
PRJ112A1405										
Bond Funds					2,000,000					
Project Total					2,000,000					
8	Marshall County Fiscal Court - Water Lines									
PRJ112A1407										
Bond Funds					1,000,000					
Project Total					1,000,000					
9	Lyon County Fiscal Court - Kuttawa Sewer and Water Project									
PRJ112A1409										
Bond Funds					500,000					
Project Total					500,000					
10	Lyon County Fiscal Court - Eddyville Sewer and Water Project									
PRJ112A1411										
Bond Funds					500,000					
Project Total					500,000					
11	Jefferson County - Center for Women and Families Capital Construction									
PRJ112A1413										
Bond Funds					1,000,000					
Project Total					1,000,000					
12	Jefferson County - Fairdale Community Center									
PRJ112A1415										
Bond Funds					300,000					
Project Total					300,000					
13	Jefferson County - Farnsley/Moremen Landing									
PRJ112A1417										
Bond Funds					260,000					
Project Total					260,000					

Capital Budget

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
14	Jefferson County - Capital Improvements for Actors Theatre of Louisville									
PRJ112A1419										
Bond Funds					900,000					
Project Total					900,000					
15	Warren County Fiscal Court - Transpark - Rail Spur									
PRJ112A1421										
Bond Funds					4,500,000	4,500,000	4,500,000			
Project Total					4,500,000	4,500,000	4,500,000			
16	City of Covington - West Covington Fire Station Property Acquisition									
PRJ112A1423										
Bond Funds					300,000					
Project Total					300,000					
17	Daviess County Fiscal Court - Juvenile Detention Center									
PRJ112A1425										
Bond Funds					500,000					
Project Total					500,000					
18	Woodford County Fiscal Court - Economic Development Authority for the Midway Industrial Park									
PRJ112A1427										
Bond Funds					1,000,000					
Project Total					1,000,000					
19	Woodford County Fiscal Court - Senior Citizens Center Renovation									
PRJ112A1429										
Bond Funds					1,000,000					
Project Total					1,000,000					
20	City of Providence - Sewer Line Expansion									
PRJ112A1431										
Bond Funds					950,000					
Project Total					950,000					
21	Franklin County Lease									
PRJ112A1394										
General Fund										
Project Total										

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A - General Government

Capital Budget

Governors Office for Local Development

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
22 Leslie Co - 6 Volunteer Fire Dept - Equip & Oper (reauthorize/reallocate)								
PRJ112A1395								
General Fund								
Project Total								
23 Community Development Fund Projects								
PRJ112A1435								
General Fund								
Bond Funds								
Project Total								
24 Louisville Zoo - Glacier Run								
PRJ112A1437								
Bond Funds								
Project Total								
TOTAL CAPITAL			30,366,000	11,500,000	113,808,800	2,000,000	2,000,000	10,453,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Special Funds

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
Regular Total Funds	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
Use of Continuing									
TOTAL FUNDS	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
TOTAL EXPENDITURES	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
Regular Total Funds	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
Use of Continuing									
TOTAL BASE LEVEL	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
VI. EXPENDITURES BY UNIT									
Local Government Economic Assistance Fund									
General Fund	52,131,000	52,131,000	52,131,000	52,535,600	52,535,600	52,535,600	51,593,100	51,443,100	51,443,100
Local Government Economic Development Fund									
General Fund	44,854,100	44,854,100	44,854,100	47,716,800	51,716,800	51,716,800	50,803,700	49,253,700	50,453,700
Area Development Fund									
General Fund	809,700	809,700	809,700	809,700	809,700	809,700	809,700	809,700	809,700
TOTAL	97,794,800	97,794,800	97,794,800	101,062,100	105,062,100	105,062,100	103,206,500	101,506,500	102,706,500
TRANSFERS TO THE GENERAL FUND									
Local Government Economic Development Fund									
Multi-County Fund				7,450,000	7,450,000	7,450,000	8,614,000	13,270,000	15,599,000
TOTAL				7,450,000	7,450,000	7,450,000	8,614,000	13,270,000	15,599,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Local Government - Special Funds

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Local Government Economic Development Fund, Multi-County Fund, in the amount of \$7,450,000 in each fiscal year for debt service on prior year Infrastructure for Economic Development Fund for Coal Producing Counties Bond Funded projects.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Coal Severance Tax Collections Calculations and Transfers: The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director for coal severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495."

"Trover Clinic Grant: Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 has been credited to the Trover Clinic Grant within the Governor's Office for Local Development."

"Community Development Office: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$669,700 in fiscal year 2006-2007 and \$728,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Community Development Office in the Governor's Office for Local Development."

"Kentucky Infrastructure Authority: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$370,000 in fiscal year 2006-2007 and \$311,700 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority."

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Local Government - Special Funds

"Need-Based Scholarship Fund: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Kentucky Higher Education Assistance Authority."

"Tourism Marketing Program: Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Tourism Marketing Program within the Commerce Cabinet."

"Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$8,000,000 in fiscal year 2006-2007 and \$8,000,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Read to Achieve Program within the Department of Education."

"Drug Courts: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Drug Courts Program in the Office of Drug Control Policy, Justice Administration budget unit. Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Drug Court Program in the Office of Drug Control Policy, Justice Administration budget unit."

"Kentucky Wood Products Competitiveness Corporation: Notwithstanding KRS 42.4586, no funds shall be transferred to the Secondary Wood Products Development Fund."

"Kentucky Workers' Compensation Funding Commission: Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2006-2007 and fiscal year 2007-2008.

"Energy Research and Development Fund: Notwithstanding KRS 42.4588, \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund to the Office for Energy Policy

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Local Government - Special Funds

within the Commerce Cabinet as General Fund moneys. These funds shall be used for clean coal and new combustion technology research projects and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties."

"School Facilities Construction Commission: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2006-2007 shall be made only after funds totaling \$4,617,900, and in fiscal year 2007-2008 shall be made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

"Kentucky Infrastructure Authority: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,091,900 in fiscal year 2006-2007 and \$4,091,900 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit to provide General Fund debt service to support previously authorized bonds for the Water and Sewer Resources Development Fund for Coal Producing Counties."

"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties: Notwithstanding KRS 42.4588, funds totaling \$7,450,000 in fiscal year 2006-2007 and \$7,450,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the General Fund to be used by the Finance and Administration Cabinet Debt Service budget unit to support previously authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties, Bond Pool."

"Debt Service: All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there are sufficient moneys available to be transferred from coal severance tax-supported funding program accounts to other accounts of the General Fund."

"Flood Matching/State Owned Dam Repair Pool: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$800,000 in fiscal year 2006-2007 and \$800,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Governor's Office for Local Development.

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Local Government - Special Funds

Notwithstanding KRS 42.4588, \$700,000 in fiscal year 2006-2007 and \$700,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Flood Matching/State Owned Dam Repair Pool within the Governor's Office for Local Development."

"Osteopathic Medicine Scholarship Program: The transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made after the transfer to the Osteopathic Medicine Scholarship Program has been made pursuant to KRS 164.7891(11) and (12) in the amount of \$1,024,300 in fiscal year 2006-2007 and \$1,024,300 in fiscal year 2007-2008, within the Kentucky Higher Education Assistance Authority."

"Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy for Operation Unite in relation to the Federal Task Force on Drug Abuse."

"Mining Engineering Scholarship Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$200,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the University of Kentucky for the Mining Engineering Scholarship Program."

"404 Permitting Program: Notwithstanding KRS 42.4588, \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Funds to the U.S. Clean Water Act section for 404 Permitting Program Environmental and Public Protection Cabinet, Division of Water. These funds will only be made available after the Commonwealth assumes primacy over the 404 Permitting Program."

"Wildlife/Elk Herd Interpretive Center: Notwithstanding KRS 42.4588, \$3,000,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Department of Fish and Wildlife Resources for the Wildlife/Elk Herd Interpretive Center as set forth in Part II, Capital Projects Budget, of this Act."

"School Technology: Notwithstanding 42.4588, \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Operations and Support Services within the Department of Education for school technology purposes."

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Local Government - Special Funds

"Parameters for County Flexibility: Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

"Appropriation Limit: Notwithstanding KRS 48.185, funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$4,000,000 in fiscal year 2006-2007 and \$8,000,000 in fiscal year 2007-2008 for the Read to Achieve Program.

The House reduces General Fund support totaling \$1,000,000, in each fiscal year, for the Drug Courts.

The House provides General Fund debt service support totaling \$1,164,000 in fiscal year 2007-2008 for the current budget, KIA Infrastructure for Economic Development Fund - Coal Producing Counties Bond Funded Projects, and the House provides \$1,164,000 in fiscal year 2007-2008 from the Multi-County Fund for the same purpose.

The House does not provide General Fund support for the Needs Based Scholarship Fund.

The House provides General Fund support totaling \$4,000,000 in each fiscal year for the Legislative Scholarship Program Fund.

The House provides, from the Multi-County Fund, \$500,000 in fiscal year 2006-2007 for the Buckhorn Children's Home.

The House provides, from the Multi-County Fund, \$300,000 in each fiscal year, for the 12 Multi-County Regional Industrial Park Authorities to be divided equally.

The House provides, from the Multi-County Fund, \$500,000 in each fiscal year, for the Kentucky Coal Academy Program.

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Budget Modification Report**

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Local Government - Special Funds

The House increases funding from the Multi-County Fund by \$300,000 in fiscal year 2006-2007 and \$800,000 in fiscal year 2007-2008 for the Drug Courts.

The House does not provide funding for the Wildlife/Elk Herd Interpretive Center.

The House reduces funding from the Multi-County Fund by a total of \$750,000 in each fiscal year for Operation Unite.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision changes:

" Tourism Marketing Program: Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Tourism Marketing Program within the Commerce Cabinet. Fees for professional artists and entertainers performing on the Kentucky Music Trail shall be paid from the Tourism Marketing Program."

"Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2006-2007 is appropriated as General Fund moneys to the Read to Achieve Program within the Department of Education.

"Drug Courts: Notwithstanding KRS 42.4588, \$1,300,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Drug Court Program in the Office of Drug Control Policy, Justice Administration budget unit."

"Energy Research and Development Fund: Notwithstanding KRS 42.4588, \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund to the Office of Energy Policy within the Commerce Cabinet as General Fund moneys. These funds shall be used for research projects relating to clean coal, new combustion technology, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities in order to maximize

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Local Government - Special Funds

Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources."

"Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$750,000 in fiscal year 2006-2007 and \$750,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy for Operation Unite in relation to the Federal Task Force on Drug Abuse."

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Legislative Scholarship Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Council on Postsecondary Education."

"Kentucky Coal Academy: Notwithstanding KRS 42.4588, funds totaling \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Community and Technical College System for developing curriculum and training programs for the Kentucky Coal Academy."

"Support of the 12 Multicounty Regional Industrial Park Authorities: Notwithstanding KRS 42.4588, funds totaling \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Governor's Office for Local Development to be distributed equally to the 12 multicounty regional industrial park authorities located in coal counties to be used for marketing and maintenance of the industrial parks and for procurement of property and casualty insurance on the parks. The Cabinet for Economic Development is directed to evaluate the ongoing marketing, maintenance, and insurance needs of multicounty regional industrial parks and make necessary expenditures from the Multi-County Fund to ensure viability of these parks."

"Coal Severance Tax Receipts: The appropriations of severance tax receipts made in this Act shall not lapse but shall be carried forward at the end of each fiscal year."

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Budget Modification Report**

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Local Government - Special Funds

"Buckhorn Children's Home: Notwithstanding KRS 42.4588, funds totaling \$500,000 in fiscal year 2006-2007 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Governor's Office for Local Development to be distributed as a grant to the Buckhorn Children's Home."

"Infrastructure for Economic Development Fund for Coal Producing Counties: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,164,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties."

"Industrial Park Priority: Notwithstanding KRS 42.4588(2), any county that is providing at least \$1,000,000 from their Local Government Economic Development Fund, Single County Account for an industrial park project, shall be given higher priority when applying for Local Government Economic Development Fund, Multi-County Fund dollars for the same project."

Notwithstanding KRS 42.4588, funds totaling \$1,164,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties."

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to include \$1,164,000 from the Multi-County Fund for the debt service on the HB 380, KIA Infrastructure for Economic Development Fund - Coal Producing Counties Bond Funded Projects.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to remove the following language provisions pertaining to Need-Based Scholarship Fund and the Wildlife/Elk Herd Interpretive Center.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends Part I, Operating Budget, by reducing General Fund support \$150,000 in fiscal year 2007-2008 for the Local Government Economic Assistance Fund.

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Budget Modification Report**

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Local Government - Special Funds

The Senate amends Part I, Operating Budget, by increasing General Fund support \$4,000,000 in fiscal year 2006-2007 and decreasing General Fund support of \$1,550,000 in fiscal year 2007-2008 for the Local Government Economic Development Fund.

The Senate deletes Part I, Operating Budget, language provisions relating to Legislative Scholarship Program, and Kentucky Coal Academy.

The Senate modifies Part I, Operating Budget, language provisions as follows:

" Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Read to Achieve Program within the Department of Education."

" Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$1,250,000 in fiscal year 2006-2007 and \$1,250,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy for Operation Unite in relation to the Federal Task Force on Drug Abuse."

"Infrastructure for Economic Development Fund for Coal Producing Counties (A): Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,164,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties (A).

Notwithstanding KRS 42.4588, funds totaling \$1,164,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties (A)."

The Senate adds Part I, Operating Budget, language provisions as follows:

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Budget Modification Report**

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Local Government - Special Funds

"Pharmacy Scholarship Fund: Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds in fiscal year 2007-2008 shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 has been credited to the Pharmacy Scholarship Fund within the Kentucky Higher Education Assistance Authority."

"Mathematics Achievement Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,200,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Mathematics Achievement Program at Northern Kentucky University."

"Infrastructure for Economic Development Fund for Coal Producing Counties (B): Notwithstanding KRS 42.4588, funds totaling \$4,656,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties (B)."

"Kentucky Geological Survey: Notwithstanding KRS 42.4588, funds totaling \$500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the University of Kentucky for the Kentucky Geological Survey."

The Senate amends Part V, Funds Transfer, to include an additional \$4,656,000 from the Local Government Economic Development Fund, Multi-County Fund in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund for Coal Producing Counties (B).

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference amends Part I, Operating Budget, by increasing General Fund support \$1,200,000 in fiscal year 2007-2008 for the Local Government Economic Development Fund.

The Conference amends Part I, Operating Budget, language provisions as follows:

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Budget Modification Report**

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Local Government - Special Funds

"Energy Research and Development Fund: Notwithstanding KRS 42.4588, \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund to the Office of Energy Policy within the Commerce Cabinet as General Fund moneys. These funds shall be used for research projects relating to clean coal, new combustion technology, thin-seam coal extraction research, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources."

"Infrastructure for Economic Development Fund for Coal Producing Counties: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,164,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority for debt service on \$100,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties. Notwithstanding KRS 42.4588, funds totaling \$8,148,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority for debt service on \$100,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties."

"Kentucky Geological Survey: Notwithstanding KRS 42.4588, funds totaling \$250,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the University of Kentucky for the Kentucky Geological Survey."

The Conference deletes Part I, Operating Budget, language provisions as follows:

" Mathematics Achievement Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,200,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the Mathematics Achievement Program at Northern Kentucky University."

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Local Government - Special Funds

"Infrastructure for Economic Development Fund for Coal Producing Counties (B): Notwithstanding KRS 42.4588, funds totaling \$4,656,000 in fiscal year 2007-2008 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Kentucky Infrastructure Authority for debt service on \$50,000,000 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties (B)."

The Conference amends Part V, Funds Transfer, to include an additional \$2,329,000 from the Local Government Economic Development Fund, Multi-County Fund in fiscal year 2007-2008 for debt service on the Infrastructure for Economic Development Fund for Coal Producing Counties.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Executive Branch Ethics Commission

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	423,000	423,000	423,000	435,000	435,000	435,000	444,000	444,000	444,000
Restricted Funds	2,400	2,400	2,400	1,500	1,500	1,500	1,500	1,500	1,500
Regular Total Funds	425,400	425,400	425,400	436,500	436,500	436,500	445,500	445,500	445,500
Use of Continuing									
TOTAL FUNDS	425,400	425,400	425,400	436,500	436,500	436,500	445,500	445,500	445,500
II. EXPENDITURE CATEGORY									
Personnel Costs	382,600	382,600	382,600	392,500	392,500	392,500	399,000	399,000	399,000
Operating Expenses	42,800	42,800	42,800	44,000	44,000	44,000	46,500	46,500	46,500
TOTAL EXPENDITURES	425,400	425,400	425,400	436,500	436,500	436,500	445,500	445,500	445,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	360,600	360,600	360,600	361,000	361,000	361,000	360,700	360,700	360,700
Restricted Funds	2,400	2,400	2,400	1,500	1,500	1,500	1,500	1,500	1,500
Regular Total Funds	363,000	363,000	363,000	362,500	362,500	362,500	362,200	362,200	362,200
Use of Continuing									
TOTAL BASE LEVEL	363,000	363,000	363,000	362,500	362,500	362,500	362,200	362,200	362,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	62,400	62,400	62,400	74,000	74,000	74,000	83,300	83,300	83,300
TOTAL ADDITIONAL	62,400	62,400	62,400	74,000	74,000	74,000	83,300	83,300	83,300
V. ADDITIONAL BUDGET ITEMS									
1 GB Executive Branch Ethics Commission									
ABR3540001 Provide funding to support a current year appropriation to maintain current services.									
General Fund	62,400	62,400	62,400	34,000	34,000	34,000	43,300	43,300	43,300
Project Total	62,400	62,400	62,400	34,000	34,000	34,000	43,300	43,300	43,300
2 GB Executive Branch Ethics Commission									
ABR3540004 Provide funding to support two (2) part-time investigators.									
General Fund				40,000	40,000	40,000	40,000	40,000	40,000
Project Total				40,000	40,000	40,000	40,000	40,000	40,000
TOTAL ADDITIONAL	62,400	62,400	62,400	74,000	74,000	74,000	83,300	83,300	83,300

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Executive Branch Ethics Commission

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a current year appropriation of General Fund dollars totaling \$62,400 in fiscal year 2005-2006, and additional General Fund dollars totaling \$74,400 in fiscal year 2006-2007 and \$83,400 in fiscal year 2007-2008 above the base and defined calculations to support agency operations.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

A - General Government

Operating Budget

Secretary of State

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,308,300	2,308,300	2,308,300	2,299,300	2,299,300	2,299,300	2,298,100	2,298,100	2,298,100
Restricted Funds	802,900	802,900	802,900	849,200	849,200	849,200	900,000	900,000	900,000
Regular Total Funds	3,111,200	3,111,200	3,111,200	3,148,500	3,148,500	3,148,500	3,198,100	3,198,100	3,198,100
Use of Continuing									
TOTAL FUNDS	3,111,200	3,111,200	3,111,200	3,148,500	3,148,500	3,148,500	3,198,100	3,198,100	3,198,100
II. EXPENDITURE CATEGORY									
Personnel Costs	2,285,900	2,285,900	2,285,900	2,378,400	2,378,400	2,378,400	2,428,000	2,428,000	2,428,000
Operating Expenses	825,300	825,300	825,300	770,100	770,100	770,100	770,100	770,100	770,100
TOTAL EXPENDITURES	3,111,200	3,111,200	3,111,200	3,148,500	3,148,500	3,148,500	3,198,100	3,198,100	3,198,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,308,300	2,308,300	2,308,300	2,299,300	2,299,300	2,299,300	2,298,100	2,298,100	2,298,100
Restricted Funds	802,900	802,900	802,900	849,200	849,200	849,200	900,000	900,000	900,000
Regular Total Funds	3,111,200	3,111,200	3,111,200	3,148,500	3,148,500	3,148,500	3,198,100	3,198,100	3,198,100
Use of Continuing									
TOTAL BASE LEVEL	3,111,200	3,111,200	3,111,200	3,148,500	3,148,500	3,148,500	3,198,100	3,198,100	3,198,100
TRANSFERS TO THE GENERAL FUND									
Secretary of State									
Agency Revenue Fund	350,000	350,000	350,000	900,000	900,000	900,000	900,000	900,000	900,000
TOTAL	350,000	350,000	350,000	900,000	900,000	900,000	900,000	900,000	900,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Secretary of State

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Secretary of State, Restricted Funds of \$350,000 in fiscal year 2005-2006, \$900,000 in fiscal year 2006-2007, and \$900,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Carry Forward of Restricted Funds Appropriation Balance: Notwithstanding KRS 14.140(3), the above Restricted Funds appropriations shall not lapse and shall be used for the continuation of current activities within the General Administration unit and for the operations and staff of the Uniform Commercial Code Branch."

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Board of Elections

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,077,100	3,077,100	3,077,100	4,878,500	4,878,500	4,878,500	4,861,900	4,861,900	4,861,900
Restricted Funds	57,100	57,100	57,100	77,600	77,600	77,600	93,900	93,900	93,900
Federal Funds	22,800,000	22,800,000	22,800,000	10,000,000	10,000,000	10,000,000	5,628,500	5,628,500	5,628,500
Regular Total Funds	25,934,200	25,934,200	25,934,200	14,956,100	14,956,100	14,956,100	10,584,300	10,584,300	10,584,300
Use of Continuing	1,100,000	1,100,000	1,100,000						
TOTAL FUNDS	27,034,200	27,034,200	27,034,200	14,956,100	14,956,100	14,956,100	10,584,300	10,584,300	10,584,300
II. EXPENDITURE CATEGORY									
Personnel Costs	930,700	930,700	930,700	961,400	961,400	961,400	950,900	950,900	950,900
Operating Expenses	724,000	724,000	724,000	713,800	713,800	713,800	713,800	713,800	713,800
Grants, Loans, Benefits	25,379,500	25,379,500	25,379,500	13,280,900	13,280,900	13,280,900	8,919,600	8,919,600	8,919,600
TOTAL EXPENDITURES	27,034,200	27,034,200	27,034,200	14,956,100	14,956,100	14,956,100	10,584,300	10,584,300	10,584,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,077,100	3,077,100	3,077,100	3,077,100	3,077,100	3,077,100	3,050,300	3,050,300	3,050,300
Restricted Funds	57,100	57,100	57,100	77,600	77,600	77,600	93,900	93,900	93,900
Federal Funds	22,800,000	22,800,000	22,800,000						
Regular Total Funds	25,934,200	25,934,200	25,934,200	3,154,700	3,154,700	3,154,700	3,144,200	3,144,200	3,144,200
Use of Continuing	1,100,000	1,100,000	1,100,000						
TOTAL BASE LEVEL	27,034,200	27,034,200	27,034,200	3,154,700	3,154,700	3,154,700	3,144,200	3,144,200	3,144,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,801,400	1,801,400	1,801,400	1,811,600	1,811,600	1,811,600
Federal Funds				10,000,000	10,000,000	10,000,000	5,628,500	5,628,500	5,628,500
TOTAL ADDITIONAL				11,801,400	11,801,400	11,801,400	7,440,100	7,440,100	7,440,100
V. ADDITIONAL BUDGET ITEMS									
1 GB Board of Elections									
ABR1850003	Provide funding for remittance to counties at \$255 in the biennium.								
General Fund				1,801,400	1,801,400	1,801,400	1,811,600	1,811,600	1,811,600
Project Total				1,801,400	1,801,400	1,801,400	1,811,600	1,811,600	1,811,600
2 GB Board of Elections									
ABR1850005	Provide funding for the impact of the Help America Vote Act, by replacing lever voting machines, improving voter and poll worker education, and assisting with compliance of the ADA requirements.								
Federal Funds				10,000,000	10,000,000	10,000,000	5,628,500	5,628,500	5,628,500
Project Total				10,000,000	10,000,000	10,000,000	5,628,500	5,628,500	5,628,500

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Board of Elections

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL				11,801,400	11,801,400	11,801,400	7,440,100	7,440,100	7,440,100

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Board of Elections

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that directs:

"Help America Vote Act of 2002: Amounts above those appropriated that are necessary to match Federal Funds from the Help America Vote Act shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund (KRS 48.705). Notwithstanding KRS 45.229, any unexpended balance from the General Fund appropriation necessary to match Federal Funds shall not lapse and shall carry forward to fiscal year 2006-2007 and fiscal year 2007-2008."

"Cost of Elections: Included in the above General Fund appropriation is \$3,280,900 in fiscal year 2006-2007 and \$3,291,100 in fiscal year 2007-2008 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.112(7), 116.145, and 117.343). Notwithstanding KRS 117.345(2), the maximum state payment rate is increased from the current statutory level of \$255 to \$300 per precinct per election to each precinct using voting machines. Any amount that the state is required to pay for precinct election expenses under the provisions of KRS 116.112(7), 116.145, 117.343, and 117.345 shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

The State/Executive Branch Budget Bill, Part I, Operating Budget, provides new funding initiatives, above the base and defined calculations, in General Fund in the amount of \$1,81400 in fiscal year 2006-2007 and \$1,811,600 in fiscal year 2007-2008 to provide funds to increase the remittance to counties from \$255 to \$300. An increase in Federal Funds in the amount of \$10,000,000 in fiscal year 2006-2007 and \$5,628,500 in fiscal year 2007-2008 were provided to replace lever voting machines, improve voter and poll worker education, and comply with the American Disabilities Act requirements. In addition, Restricted funds in the amount of \$20,500 in fiscal year 2006-2007 and \$10,000 in fiscal year 2007-2008 for agency defined calculations.

Fiscal Biennium 2006-2008
Budget Modification Report

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Board of Elections

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Registry of Election Finance

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,447,300	1,447,300	1,447,300	1,547,100	1,547,100	1,547,100	1,571,700	1,571,700	1,571,700
Restricted Funds	13,300	13,300	13,300						
Regular Total Funds	1,460,600	1,460,600	1,460,600	1,547,100	1,547,100	1,547,100	1,571,700	1,571,700	1,571,700
Use of Continuing									
TOTAL FUNDS	1,460,600	1,460,600	1,460,600	1,547,100	1,547,100	1,547,100	1,571,700	1,571,700	1,571,700
II. EXPENDITURE CATEGORY									
Personnel Costs	1,063,300	1,063,300	1,063,300	1,166,400	1,166,400	1,166,400	1,191,300	1,191,300	1,191,300
Operating Expenses	397,300	397,300	397,300	380,700	380,700	380,700	380,400	380,400	380,400
TOTAL EXPENDITURES	1,460,600	1,460,600	1,460,600	1,547,100	1,547,100	1,547,100	1,571,700	1,571,700	1,571,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,447,300	1,447,300	1,447,300	1,472,000	1,472,000	1,472,000	1,490,800	1,490,800	1,490,800
Restricted Funds	13,300	13,300	13,300						
Regular Total Funds	1,460,600	1,460,600	1,460,600	1,472,000	1,472,000	1,472,000	1,490,800	1,490,800	1,490,800
Use of Continuing									
TOTAL BASE LEVEL	1,460,600	1,460,600	1,460,600	1,472,000	1,472,000	1,472,000	1,490,800	1,490,800	1,490,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				75,100	75,100	75,100	80,900	80,900	80,900
TOTAL ADDITIONAL				75,100	75,100	75,100	80,900	80,900	80,900
V. ADDITIONAL BUDGET ITEMS									
1 GB Registry of Election Finance									
ABR0660001 Provide funding to support two (2) vacant positions.									
General Fund				75,100	75,100	75,100	80,900	80,900	80,900
Project Total				75,100	75,100	75,100	80,900	80,900	80,900
TOTAL ADDITIONAL				75,100	75,100	75,100	80,900	80,900	80,900

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Registry of Election Finance

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes additional funding for defined calculations with General Fund dollars in the amount of \$24,700 in fiscal year 2006-2007 and \$43,500 in fiscal year 2007-2008. Additional General Fund dollars in the amount of \$75,000 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008 to fund two (2) vacant positions.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Attorney General

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,090,200	14,090,200	14,090,200	15,990,500	13,990,500	14,276,500	15,733,100	13,733,100	14,113,100
Restricted Funds	9,543,400	9,543,400	9,543,400	9,167,300	8,917,300	9,167,300	9,109,100	8,859,100	9,109,100
Federal Funds	2,281,300	2,281,300	2,281,300	2,437,000	2,437,000	2,437,000	2,531,500	2,531,500	2,531,500
Regular Total Funds	25,914,900	25,914,900	25,914,900	27,594,800	25,344,800	25,880,800	27,373,700	25,123,700	25,753,700
Use of Continuing									
TOTAL FUNDS	25,914,900	25,914,900	25,914,900	27,594,800	25,344,800	25,880,800	27,373,700	25,123,700	25,753,700
II. EXPENDITURE CATEGORY									
Personnel Costs	17,303,000	17,303,000	17,303,000	18,855,200	16,855,200	17,141,200	18,576,300	16,576,300	16,956,300
Operating Expenses	3,181,800	3,181,800	3,181,800	2,687,000	2,687,000	2,687,000	2,669,000	2,669,000	2,669,000
Grants, Loans, Benefits	5,430,100	5,430,100	5,430,100	6,052,600	5,802,600	6,052,600	6,128,400	5,878,400	6,128,400
TOTAL EXPENDITURES	25,914,900	25,914,900	25,914,900	27,594,800	25,344,800	25,880,800	27,373,700	25,123,700	25,753,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	14,090,200	14,090,200	14,090,200	15,990,500	13,990,500	14,276,500	15,733,100	13,733,100	14,113,100
Restricted Funds	9,543,400	9,543,400	9,543,400	8,510,800	8,510,800	8,510,800	8,376,800	8,376,800	8,376,800
Federal Funds	2,281,300	2,281,300	2,281,300	2,437,000	2,437,000	2,437,000	2,531,500	2,531,500	2,531,500
Regular Total Funds	25,914,900	25,914,900	25,914,900	26,938,300	24,938,300	25,224,300	26,641,400	24,641,400	25,021,400
Use of Continuing									
TOTAL BASE LEVEL	25,914,900	25,914,900	25,914,900	26,938,300	24,938,300	25,224,300	26,641,400	24,641,400	25,021,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				656,500	406,500	656,500	732,300	482,300	732,300
TOTAL ADDITIONAL				656,500	406,500	656,500	732,300	482,300	732,300
V. ADDITIONAL BUDGET ITEMS									
1 GB Attorney General - Uninsured Employers Fund									
ABR0400005 Provide funds for grant benefit costs.									
Restricted Funds				656,500	406,500	656,500	732,300	482,300	732,300
Project Total				656,500	406,500	656,500	732,300	482,300	732,300
TOTAL ADDITIONAL				656,500	406,500	656,500	732,300	482,300	732,300

TRANSFERS TO THE GENERAL FUND

Attorney General

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Attorney General

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund	521,200	521,200	521,200						
TOTAL	521,200	521,200	521,200						

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Attorney General

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Office of the Attorney General, Restricted Funds of \$521,200 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095 and 367.150(8). Upon review and approval, the Secretary of the Finance and Administration Cabinet may provide up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Annual and Sick Leave Service Credit: Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full-time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement Systems solely for the purpose of computation of sick and annual leave. This provision shall only apply to any new appointment or current employee as of July 1, 1998."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services."

HOUSE REPORT

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Attorney General

The House concurs with the Branch with the following changes:

The House increases General Fund support totaling \$2,000,000 in each fiscal year for personnel costs.

The House increases Restricted Funds support totaling \$250,000 in each fiscal year for the Uninsured Employers' Fund

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions.

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies shall agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis. Notwithstanding KRS 48.005(5), the Office of the Attorney General may recover reasonable costs of litigation."

"Child Sexual Abuse License Plate Revenue: Notwithstanding KRS 186.162, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis."

"Appropriations and Allotments: Notwithstanding KRS 48.605, 48.610, 48.620, 48.630, or any provision of this Act to the contrary, the Attorney General may approve appropriations and allotment revisions based upon the availability of funds for the Office of the Attorney General."

SENATE REPORT

The Senate concurs with the House with the following changes:

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Attorney General

The Senate does not provide additional General Fund support totaling \$2,000,000 in each fiscal year for personnel costs.

The Senate does not provide additional Restricted Funds support totaling \$250,000 in each fiscal year for the Uninsured Employers' Fund.

The Senate amends the State/Executive Branch Budget Bill, Part I, making the following language changes:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095 and 367.150(8). Upon review and approval, the Secretary of the Finance and Administration Cabinet may provide up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services."

The Senate amends the State/Executive Branch Budget Bill, Part I, deleting the following language:

"Appropriations and Allotments: Notwithstanding KRS 48.605, 48.610, 48.620, 48.630, or any provision of this Act to the contrary, the Attorney General may approve appropriations and allotment revisions based upon the availability of funds for the Office of the Attorney General."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides General Fund support totaling \$286,000 in fiscal year 2006-2007 and \$380,000 in fiscal year 2007-2008 for personnel costs.

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 9:30 AM

Attorney General

The Conference provides Restricted Funds support totaling \$250,000 in fiscal year 2006-2007 and in fiscal year 2007-2008 for increased benefits cost for the Uninsured Employers' Fund.

The Conference amends Part I, Operating Budget, language provisions as follows:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Child Sexual Abuse License Plate Revenue: Notwithstanding KRS 186.162, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Attorney General

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Franklin County - Lease

PRJ0400001

General Fund

Project Total

TOTAL CAPITAL

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Unified Prosecutorial System Summary

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	54,979,600	54,979,600	54,979,600	58,627,200	57,843,500	58,627,200	60,310,400	59,223,900	60,310,400
Restricted Funds	251,700	251,700	251,700	257,000	257,000	257,000	273,400	273,400	273,400
Federal Funds	664,900	664,900	664,900	652,400	652,400	652,400	688,500	688,500	688,500
Regular Total Funds	55,896,200	55,896,200	55,896,200	59,536,600	58,752,900	59,536,600	61,272,300	60,185,800	61,272,300
Use of Continuing									
TOTAL FUNDS	55,896,200	55,896,200	55,896,200	59,536,600	58,752,900	59,536,600	61,272,300	60,185,800	61,272,300

II. EXPENDITURE CATEGORY

Personnel Costs	50,394,500	50,394,500	50,394,500	54,888,400	54,129,700	54,863,400	56,573,000	55,511,500	56,548,000
Operating Expenses	5,466,700	5,466,700	5,466,700	4,641,200	4,616,200	4,666,200	4,692,300	4,667,300	4,717,300
Grants, Loans, Benefits	35,000	35,000	35,000	7,000	7,000	7,000	7,000	7,000	7,000
TOTAL EXPENDITURES	55,896,200	55,896,200	55,896,200	59,536,600	58,752,900	59,536,600	61,272,300	60,185,800	61,272,300

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	54,979,600	54,979,600	54,979,600	58,002,200	57,593,500	58,002,200	59,685,400	58,973,900	59,685,400
Restricted Funds	251,700	251,700	251,700	257,000	257,000	257,000	273,400	273,400	273,400
Federal Funds	664,900	664,900	664,900	652,400	652,400	652,400	688,500	688,500	688,500
Regular Total Funds	55,896,200	55,896,200	55,896,200	58,911,600	58,502,900	58,911,600	60,647,300	59,935,800	60,647,300
Use of Continuing									
TOTAL BASE LEVEL	55,896,200	55,896,200	55,896,200	58,911,600	58,502,900	58,911,600	60,647,300	59,935,800	60,647,300

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				625,000	250,000	625,000	625,000	250,000	625,000
TOTAL ADDITIONAL				625,000	250,000	625,000	625,000	250,000	625,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Commonwealths Attorneys

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	29,618,000	29,618,000	29,618,000	31,752,200	30,968,500	31,752,200	32,558,100	31,471,600	32,558,100
Restricted Funds	227,300	227,300	227,300	234,000	234,000	234,000	249,900	249,900	249,900
Federal Funds	273,200	273,200	273,200	179,700	179,700	179,700	186,500	186,500	186,500
Regular Total Funds	30,118,500	30,118,500	30,118,500	32,165,900	31,382,200	32,165,900	32,994,500	31,908,000	32,994,500
Use of Continuing									
TOTAL FUNDS	30,118,500	30,118,500	30,118,500	32,165,900	31,382,200	32,165,900	32,994,500	31,908,000	32,994,500
II. EXPENDITURE CATEGORY									
Personnel Costs	26,388,700	26,388,700	26,388,700	28,590,800	27,832,100	28,565,800	29,383,300	28,321,800	29,358,300
Operating Expenses	3,694,800	3,694,800	3,694,800	3,568,100	3,543,100	3,593,100	3,604,200	3,579,200	3,629,200
Grants, Loans, Benefits	35,000	35,000	35,000	7,000	7,000	7,000	7,000	7,000	7,000
TOTAL EXPENDITURES	30,118,500	30,118,500	30,118,500	32,165,900	31,382,200	32,165,900	32,994,500	31,908,000	32,994,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	29,618,000	29,618,000	29,618,000	31,377,200	30,968,500	31,377,200	32,183,100	31,471,600	32,183,100
Restricted Funds	227,300	227,300	227,300	234,000	234,000	234,000	249,900	249,900	249,900
Federal Funds	273,200	273,200	273,200	179,700	179,700	179,700	186,500	186,500	186,500
Regular Total Funds	30,118,500	30,118,500	30,118,500	31,790,900	31,382,200	31,790,900	32,619,500	31,908,000	32,619,500
Use of Continuing									
TOTAL BASE LEVEL	30,118,500	30,118,500	30,118,500	31,790,900	31,382,200	31,790,900	32,619,500	31,908,000	32,619,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				375,000		375,000	375,000		375,000
TOTAL ADDITIONAL				375,000		375,000	375,000		375,000
V. ADDITIONAL BUDGET ITEMS									
1 CONT Commonwealth Attorneys									
ABR030A0006 Provides additional funding for personnel and operating costs									
General Fund				375,000		375,000	375,000		375,000
Project Total				375,000		375,000	375,000		375,000
TOTAL ADDITIONAL				375,000		375,000	375,000		375,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Commonwealth's Attorneys

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch with the following change.

The House increases General Fund support totaling \$783,700 in fiscal year 2006-2007 and totaling \$1,086,500 in fiscal year 2007-2008 for personnel and operating expenses.

SENATE REPORT

The Senate concurs with the House with the following change.

The Senate does not provide additional General Fund support totaling \$783,700 in fiscal year 2006-2007 and totaling \$1,086,500 in fiscal year 2007-2008 for personnel and operating expenses.

CONFERENCE REPORT

The Conference concurs with the House.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Commonwealths Attorneys

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Jefferson County - Lease

PRJ030A0001

General Fund

Project Total

TOTAL CAPITAL

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A - General Government

Operating Budget

County Attorneys

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	25,361,600	25,361,600	25,361,600	26,875,000	26,875,000	26,875,000	27,752,300	27,752,300	27,752,300
Restricted Funds	24,400	24,400	24,400	23,000	23,000	23,000	23,500	23,500	23,500
Federal Funds	391,700	391,700	391,700	472,700	472,700	472,700	502,000	502,000	502,000
Regular Total Funds	25,777,700	25,777,700	25,777,700	27,370,700	27,370,700	27,370,700	28,277,800	28,277,800	28,277,800
Use of Continuing									
TOTAL FUNDS	25,777,700	25,777,700	25,777,700	27,370,700	27,370,700	27,370,700	28,277,800	28,277,800	28,277,800
II. EXPENDITURE CATEGORY									
Personnel Costs	24,005,800	24,005,800	24,005,800	26,297,600	26,297,600	26,297,600	27,189,700	27,189,700	27,189,700
Operating Expenses	1,771,900	1,771,900	1,771,900	1,073,100	1,073,100	1,073,100	1,088,100	1,088,100	1,088,100
TOTAL EXPENDITURES	25,777,700	25,777,700	25,777,700	27,370,700	27,370,700	27,370,700	28,277,800	28,277,800	28,277,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	25,361,600	25,361,600	25,361,600	26,625,000	26,625,000	26,625,000	27,502,300	27,502,300	27,502,300
Restricted Funds	24,400	24,400	24,400	23,000	23,000	23,000	23,500	23,500	23,500
Federal Funds	391,700	391,700	391,700	472,700	472,700	472,700	502,000	502,000	502,000
Regular Total Funds	25,777,700	25,777,700	25,777,700	27,120,700	27,120,700	27,120,700	28,027,800	28,027,800	28,027,800
Use of Continuing									
TOTAL BASE LEVEL	25,777,700	25,777,700	25,777,700	27,120,700	27,120,700	27,120,700	28,027,800	28,027,800	28,027,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				250,000	250,000	250,000	250,000	250,000	250,000
TOTAL ADDITIONAL				250,000	250,000	250,000	250,000	250,000	250,000
V. ADDITIONAL BUDGET ITEMS									
1	CONT	County Attorneys							
ABR030B0003 Provide additional funds for personnel and operating costs									
General Fund				250,000	250,000	250,000	250,000	250,000	250,000
Project Total				250,000	250,000	250,000	250,000	250,000	250,000
TOTAL ADDITIONAL				250,000	250,000	250,000	250,000	250,000	250,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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County Attorneys

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch with the following change.

The House increases General Fund support totaling \$625,400 in fiscal year 2006-2007 and totaling \$1,038,400 in fiscal year 2007-2008 for personnel and operating expenses.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT:

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Treasury

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,008,300	2,008,300	2,008,300	2,171,300	2,171,300	2,171,300	2,210,400	2,210,400	2,210,400
Restricted Funds	793,300	793,300	793,300	744,500	744,500	744,500	753,100	753,100	753,100
Road Fund	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Regular Total Funds	3,051,600	3,051,600	3,051,600	3,165,800	3,165,800	3,165,800	3,213,500	3,213,500	3,213,500
Use of Continuing									
TOTAL FUNDS	3,051,600	3,051,600	3,051,600	3,165,800	3,165,800	3,165,800	3,213,500	3,213,500	3,213,500
II. EXPENDITURE CATEGORY									
Personnel Costs	2,176,900	2,176,900	2,176,900	2,361,600	2,361,600	2,361,600	2,409,300	2,409,300	2,409,300
Operating Expenses	874,700	874,700	874,700	804,200	804,200	804,200	804,200	804,200	804,200
TOTAL EXPENDITURES	3,051,600	3,051,600	3,051,600	3,165,800	3,165,800	3,165,800	3,213,500	3,213,500	3,213,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,008,300	2,008,300	2,008,300	2,008,300	2,008,300	2,008,300	2,008,300	2,008,300	2,008,300
Restricted Funds	793,300	793,300	793,300	744,500	744,500	744,500	753,100	753,100	753,100
Road Fund	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Regular Total Funds	3,051,600	3,051,600	3,051,600	3,002,800	3,002,800	3,002,800	3,011,400	3,011,400	3,011,400
Use of Continuing									
TOTAL BASE LEVEL	3,051,600	3,051,600	3,051,600	3,002,800	3,002,800	3,002,800	3,011,400	3,011,400	3,011,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				163,000	163,000	163,000	202,100	202,100	202,100
TOTAL ADDITIONAL				163,000	163,000	163,000	202,100	202,100	202,100
V. ADDITIONAL BUDGET ITEMS									
1 GB Treasury									
ABR1250010	Provide additional operating costs related to the relocation of the administrative offices.								
General Fund				163,000	163,000	163,000	202,100	202,100	202,100
Project Total				163,000	163,000	163,000	202,100	202,100	202,100
TOTAL ADDITIONAL				163,000	163,000	163,000	202,100	202,100	202,100

TRANSFERS TO THE GENERAL FUND

Treasury

Agency Revenue Fund	92,900	92,900	92,900
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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Treasury

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL	92,900	92,900	92,900						

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Treasury

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes the following language provision:

"Sale of Abandoned Property by Treasury Department: Pursuant to KRS 393.125, the department, within three years of the receipt of abandoned property that are securities, shall sell the securities. Unclaimed securities received by the department before June 30, 2004, shall be sold by June 30, 2007, with the receipts, net of estimated claims to be paid, available for appropriation to the General Fund. Unclaimed securities received by the department after June 30, 2004, and on or before June 30, 2005, shall be sold by June 30, 2008, with the receipts, net of estimated claims to be paid, available for appropriation to the General Fund."

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Treasury, Restricted Funds of \$92,900 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provision that directs:

"Unclaimed Property Fund: Included in the above Restricted Funds appropriation is a recurring transfer from the Unclaimed Property Fund. In each respective fiscal year of the 2006-2008 fiscal biennium, \$744,500 and \$753,100 is appropriated to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury."

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes additional General Fund in the amount of \$163,000 in fiscal year 2006-2007 and \$202,100 in fiscal year 2007-2008 for an increase in personnel and operating costs for additional rent, janitorial, maintenance, and security guard services related to the relocation of the administrative offices.

HOUSE REPORT

The House concurs with the Branch.

Fiscal Biennium 2006-2008
Budget Modification Report

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Treasury

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Agriculture

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	19,568,600	19,568,600	19,568,600	19,803,100	19,288,100	19,803,100	21,527,700	20,552,700	21,529,700
Restricted Funds	4,588,700	4,588,700	4,588,700	5,416,700	4,937,200	4,937,200	4,886,700	4,548,900	4,548,900
Federal Funds	4,092,100	4,092,100	4,092,100	3,947,400	3,947,400	3,947,400	3,889,200	3,889,200	3,889,200
Regular Total Funds	28,249,400	28,249,400	28,249,400	29,167,200	28,172,700	28,687,700	30,303,600	28,990,800	29,967,800
Use of Continuing	11,300	11,300	11,300						
TOTAL FUNDS	28,260,700	28,260,700	28,260,700	29,167,200	28,172,700	28,687,700	30,303,600	28,990,800	29,967,800
II. EXPENDITURE CATEGORY									
Personnel Costs	16,572,800	16,572,800	16,572,800	17,962,900	17,463,400	17,463,400	19,005,000	18,647,200	18,647,200
Operating Expenses	4,460,700	4,460,700	4,460,700	4,325,300	4,325,300	4,325,300	4,517,800	4,517,800	4,517,800
Grants, Loans, Benefits	6,730,900	6,730,900	6,730,900	6,797,700	6,302,700	6,817,700	6,239,500	5,744,500	6,259,500
Debt Service							460,000		462,000
Capital Outlay	96,300	96,300	96,300	81,300	81,300	81,300	81,300	81,300	81,300
Construction	400,000	400,000	400,000						
TOTAL EXPENDITURES	28,260,700	28,260,700	28,260,700	29,167,200	28,172,700	28,687,700	30,303,600	28,990,800	29,967,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	19,568,600	19,568,600	19,568,600	19,288,100	19,288,100	19,288,100	19,499,400	19,499,400	19,499,400
Restricted Funds	4,588,700	4,588,700	4,588,700	4,646,200	4,646,200	4,646,200	3,778,400	3,778,400	3,778,400
Federal Funds	4,092,100	4,092,100	4,092,100	3,947,400	3,947,400	3,947,400	3,889,200	3,889,200	3,889,200
Regular Total Funds	28,249,400	28,249,400	28,249,400	27,881,700	27,881,700	27,881,700	27,167,000	27,167,000	27,167,000
Use of Continuing	11,300	11,300	11,300						
TOTAL BASE LEVEL	28,260,700	28,260,700	28,260,700	27,881,700	27,881,700	27,881,700	27,167,000	27,167,000	27,167,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				515,000		515,000	2,028,300	1,053,300	2,030,300
Restricted Funds				770,500	291,000	291,000	1,108,300	770,500	770,500
TOTAL ADDITIONAL				1,285,500	291,000	806,000	3,136,600	1,823,800	2,800,800
V. ADDITIONAL BUDGET ITEMS									
1 GB Agriculture									
ABR0350003 Provide funding to support vacant positions.									
Restricted Funds				479,500			817,300	479,500	479,500
Project Total				479,500			817,300	479,500	479,500

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Agriculture

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	GB	Agriculture - Consumer Protection									
ABR0350006			Provide funding to support seven (7) new positions in the inspections area.								
Restricted Funds						291,000	291,000	291,000	291,000	291,000	291,000
Project Total						291,000	291,000	291,000	291,000	291,000	291,000
3	NEW	Agriculture - Agriculture Marketing and Product Promotion									
ABR0350004			Provide funding to support capital improvement grants awarded to Local Agricultural Fair Programs.								
General Fund						495,000		495,000	495,000		495,000
Project Total						495,000		495,000	495,000		495,000
4	NEW	Agriculture									
ABR0350008			Provide funding to support 16 positions and operating expenditures for a Fuel/Pesticide Testing Laboratory.								
General Fund									1,053,300	1,053,300	1,053,300
Project Total									1,053,300	1,053,300	1,053,300
5	NEW	Agriculture									
ABR0350007			Provide funding to support Lime Testing.								
General Fund						20,000		20,000	20,000		20,000
Project Total						20,000		20,000	20,000		20,000
6	NEW	Agriculture									
ABR0350009			Provide funding for debt service on bonds issued for Animal Shelters.								
General Fund									460,000		462,000
Project Total									460,000		462,000
TOTAL ADDITIONAL						1,285,500	291,000	806,000	3,136,600	1,823,800	2,800,800

TRANSFERS TO THE GENERAL FUND

Agriculture

Agency Revenue Fund					479,500	479,500		337,800	337,800	
TOTAL						479,500	479,500		337,800	337,800

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Agriculture

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Breathitt Veterinary Center and Diagnostic Laboratories: Included in the above General Fund appropriation is \$478,500 in fiscal year 2006-2007 and \$478,500 in fiscal year 2007-2008 for the Breathitt Veterinary Center at Murray State University and \$478,500 in fiscal year 2006-2007 and \$478,500 in fiscal year 2007-2008 for the University of Kentucky for the diagnostic laboratories."

"Enforcement of Tobacco Product Sale Restrictions: Included in the above General Fund appropriation is \$260,000 in fiscal year 2006-2007 and \$260,000 in fiscal year 2007-2008 to carry out the provisions of KRS 438.335."

"Purchase of Agricultural Conservation Easement (PACE) Program: The PACE board may contract directly with land surveyors, real estate appraisers, and other licensed professionals as necessary."

"Metrology Lab Operating Fees: The Department of Agriculture may promulgate administrative regulations establishing license fees, testing fees, and any other fees necessary to operate and maintain a metrology lab in the Department of Agriculture. These Restricted Funds receipts shall be utilized for personnel and operations of the metrology lab."

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes Restricted Funds totaling \$291,000 each year of the biennium, above the base and defined calculations, for seven new positions in the Consumer and Environmental Program.

The State/Executive Branch Budget Bill, Part I, Operating Budget, provides new funding initiatives, funded above the base and defined calculations, to fill vacant positions in the Consumer and Environmental Programs and in Agriculture Marketing and Product Promotion. The Branch Budget Bill provides additional Restricted Funds in the amount of \$479,500 in fiscal year 2006-2007 and \$817,300 in fiscal year 2007-2008 to fill as many of the vacant positions as funding permits.

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Agriculture

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides additional General Fund support in the amount of \$515,000 in fiscal year 2006-2007 and \$22,028,300 in fiscal year 2007-2008. Additional General Fund dollars of \$495,000 in each year is to provide improvement grants awarded to Local Agricultural Fair Programs and an additional \$20,000 in each year is provided to support Lime Testing. General Fund support in the amount of \$1,053,300 is provided for personnel and operating expeditors for a Fuel/Pesticide Testing Laboratory. Additional Restricted Funds of \$479,500 in fiscal year 2006-2007 and \$817,300 in fiscal year 2007-2008 were provided to support funding of vacant positions

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"County Fair Grants: Included in the above General Fund appropriation is \$495,000 in fiscal year 2006-2007 and \$495,000 in fiscal year 2007-2008 to support the capital improvement grants to the Local Agricultural Fair Program."

"Debt Service: Included in the above General Fund appropriation is \$460,000 in fiscal year 2007-2008 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include \$5,000,000 in Bond Fund support in fiscal year 2006-2007 to provide funding to local animal shelters for capital improvements. General Fund support of \$1,650,000 is provided in fiscal year 2007-2008 to purchase equipment for a Fuels/Pesticides Testing Lab.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "County Fair Grants", and "Debt Service"

The Senate modifies Part I, Operating Budget, and adds language provisions as follows:

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"The Department of Agriculture may receive funds from local and private sources to match Federal Funds for the Purchase of Agricultural Conservation Easement (PACE) Program."

"Operations of the Department": Notwithstanding KRS 217B.580, 248.290(2), 251.430, 260.650, 363.330, 363.906, and 438.335, funds may be expended in support of the operations of the department."

The Senate deletes in Part I, Operating Budget, General Fund support of \$515,000 in fiscal year 2006-2007 and \$975,000 in fiscal year 2007-2008 for capital improvement grants awarded to Local Agricultural Fair Programs (\$495,000 in each year), Lime Testing (\$20,000 in each year), and debt service for Animal Shelters (\$460,000 in fiscal year 2007-2008). The Senate also deletes Restricted Funds support of \$479,000 in fiscal year 2006-2007 and \$337,800 in fiscal year 2007-2008 to support funding for vacant positions.

The Senate amends Part V, Funds Transfer to include \$479,500 in fiscal year 2006-2007 and \$337,800 in fiscal year 2007-2008 of Restricted Funds to the General Fund.

The Senate amends the State Executive Branch Budget Bill, Part II, Capital Budget, by deleting General Fund Bond Funds in fiscal year 2006-2007 totaling \$5,000,000 for Animal Shelter grants. The Senate also deletes General Fund totaling \$400,000 in each year for the PACE - Agricultural Enhancement Fund.

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

The Conference adds a Part I, Operating Budget, language provision as follows:

"Debt Service: Included in the above General Fund appropriation is \$462,000 in fiscal year 2007-2008 for debt service to support new bonds for Animal Shelters as set forth in Part II, Capital Projects Budget, of this Act."

The Conference provides General Fund support totaling \$479,500 in fiscal year 2007-2008 to fund vacant positions.

The Conference provides General Fund support totaling \$462,000 in fiscal year 2007-2008 for debt service to support new bonds for Animal Shelters.

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The Conference adds a Part V, Fund Transfer, of Restricted Funds totaling \$479,500 in fiscal year 2006-2007 and \$337,800 in fiscal year 2007-2008 to the General Fund.

The Conference removes General Fund dollars of \$400,000 each year from Part II, Capital Budget, for matching funds for the PACE - Agriculture Enhancement Fund, but kept the Federal Funds. A Part I, Operating Budget, language provision stipulates that the department may receive local and private sources for matching of Federal Funds.

The Conference amends Part II, Capital Budget, by funding Animal Shelters with Bond Funds totaling \$2,500,000 in fiscal year 2006-2007 rather than Bond Funds of \$5,000,000.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Agriculture

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				400,000			2,050,000	1,650,000	1,650,000
Federal Funds				3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Bond Funds				5,000,000		2,500,000			
Capital Construction Surplus				290,000	290,000	290,000			
TOTAL CAPITAL				9,290,000	3,890,000	6,390,000	5,650,000	5,250,000	5,250,000
II. CAPITAL PROJECTS									
1 Forage Testing Van									
PRJ0351342									
Capital Construction Surplus				115,000	115,000	115,000			
Project Total				115,000	115,000	115,000			
2 Large Scale Test Truck									
PRJ0351341									
Capital Construction Surplus				175,000	175,000	175,000			
Project Total				175,000	175,000	175,000			
3 Fuels/Pesticides Testing Lab									
PRJ0351345									
General Fund							1,650,000	1,650,000	1,650,000
Project Total							1,650,000	1,650,000	1,650,000
4 Animal Shelters									
PRJ0351340									
Bond Funds				5,000,000		2,500,000			
Project Total				5,000,000		2,500,000			
5 PACE - Agriculture Enhancement Fund - Additional									
PRJ0351339									
General Fund				400,000			400,000		
Federal Funds				3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Project Total				4,000,000	3,600,000	3,600,000	4,000,000	3,600,000	3,600,000

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A - General Government

Capital Budget

Agriculture

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
6	Franklin County - Lease							
PRJ0351346								
General Fund								
Project Total								
TOTAL CAPITAL			9,290,000	3,890,000	6,390,000	5,650,000	5,250,000	5,250,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Auditor of Public Accounts

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,834,700	5,834,700	5,834,700	6,779,900	5,829,900	5,829,900	6,778,300	5,828,300	5,828,300
Restricted Funds	3,818,000	3,818,000	3,818,000	3,297,500	3,297,500	3,297,500	3,297,500	3,297,500	3,297,500
Regular Total Funds	9,652,700	9,652,700	9,652,700	10,077,400	9,127,400	9,127,400	10,075,800	9,125,800	9,125,800
Use of Continuing									
TOTAL FUNDS	9,652,700	9,652,700	9,652,700	10,077,400	9,127,400	9,127,400	10,075,800	9,125,800	9,125,800
II. EXPENDITURE CATEGORY									
Personnel Costs	8,867,000	8,867,000	8,867,000	9,374,800	8,424,800	8,424,800	9,373,200	8,423,200	8,423,200
Operating Expenses	785,700	785,700	785,700	702,600	702,600	702,600	702,600	702,600	702,600
TOTAL EXPENDITURES	9,652,700	9,652,700	9,652,700	10,077,400	9,127,400	9,127,400	10,075,800	9,125,800	9,125,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,834,700	5,834,700	5,834,700	5,829,900	5,829,900	5,829,900	5,828,300	5,828,300	5,828,300
Restricted Funds	3,818,000	3,818,000	3,818,000	3,297,500	3,297,500	3,297,500	3,297,500	3,297,500	3,297,500
Regular Total Funds	9,652,700	9,652,700	9,652,700	9,127,400	9,127,400	9,127,400	9,125,800	9,125,800	9,125,800
Use of Continuing									
TOTAL BASE LEVEL	9,652,700	9,652,700	9,652,700	9,127,400	9,127,400	9,127,400	9,125,800	9,125,800	9,125,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				950,000			950,000		
TOTAL ADDITIONAL				950,000			950,000		
V. ADDITIONAL BUDGET ITEMS									
1	CONT	Auditor of Public Accounts							
ABR0450013	Provide funding to support 12 vacant positions.								
General Fund				400,000			550,000		
Project Total				400,000			550,000		
2	CONT	Auditor of Public Accounts							
ABR0450005	Provide funding to cover expenditures of transferring from a 37.5 hour work week to a 40 hour work week.								
General Fund				300,000			150,000		
Project Total				300,000			150,000		
3	CONT	Auditor of Public Account							
ABR0450014	Provide funding to support salary equity for merit status auditors.								
General Fund				250,000			250,000		
Project Total				250,000			250,000		

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Auditor of Public Accounts

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL				950,000			950,000		

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Auditor of Public Accounts

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Auditor's Scholarships: Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships."

"Audit Services Contracts: No state agency shall enter into any contract with a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit."

"Audit Records and Status Reports: The Auditor of Public Accounts shall report in writing each 60 days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The Auditor of Public Accounts shall maintain a record of all time and expenses for each audit or investigation."

"Charges for Federal, State, and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds, when the audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency when the costs may be charged against Federal Funds. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office. The Auditor of Public Accounts shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of 120 days or until the Auditor of

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Budget Modification Report**

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Auditor of Public Accounts

Public Accounts has received full payment from the county. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996" (OMB Circular No. A-133) have changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional Agency Receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 2006 General Assembly, subject to the conditions and procedures provided in this Act.

Any expenses incurred by the Auditor of Public Accounts for auditing a state or local government agency or other entity upon its request, or for performing an audit required by statute unless the audit is required by those standards governing the audit of the Commonwealth's Comprehensive Financial Report or the provisions contained in the "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996," shall be charged to the agency or entity audited.

Any expense incurred by the Auditor of Public Accounts for auditing individual governmental entities shall be charged to the agency receiving audit services when expenses are mutually agreed upon or when a legislatively mandated study by the Auditor of Public Accounts has determined the need for the audit."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides an additional \$950,000 in General Fund in each fiscal year to support twelve (12) vacant positions, transitioning from a thirty-seven and one-half (37.5) hour to a forty (40) hour work week, and to support salary equity for merit status auditors.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Restitution of Outstanding Bills: The Personnel Cabinet shall make full restitution of \$43,700 representing outstanding billed fees owed to the Auditor of Public Accounts for fiscal year 2005-2006. All agencies shall make full restitution of billed fees owed to the Auditor of Public Accounts for fiscal year 2006-2007 and fiscal year 2007-2008. If an agency does not have sufficient funds to make full restitution, the outstanding balances shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) to the credit of the Auditor of Public

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Auditor of Public Accounts

Accounts in the year that the payment is due. Notwithstanding KRS 45.229, these funds paid to the Auditor of Public Accounts shall not lapse."

"State Agency Billing: The Secretary of the Finance and Administration Cabinet shall direct any state agency, as enumerated in KRS 12.020, to reimburse costs incurred by the Auditor of Public Accounts to perform such financial audits as the Auditor deems necessary under KRS 43.050(2)(a). Notwithstanding KRS 43.070(5) and 48.500, reimbursements due the Auditor of Public Accounts shall not be reduced or waived."

"Compensatory Leave Conversion to Sick Leave: If the Auditor of Public Accounts determines that internal budgetary pressures warrant further austerity measures, the State Auditor may institute a policy to suspend payment of 50 hour blocks of compensatory time for those auditors who have accumulated 240 hours of compensatory time and instead to convert those hours to sick leave."

"Auditor Salary Equity: Included in the above General Fund appropriation are funds to provide an increase to each merit classified auditor within the Auditor of Public Accounts office to be added to the eligible employee's base salary effective July 1, 2006. The Secretary of the Personnel Cabinet shall take such action to develop a revised classification and salary compensation schedule to implement this provision in consultation with the Auditor of Public Accounts to be effective by July 1, 2006. This salary increase shall be in addition to any salary increase provided to state employees included in this Act."

"Use for Funding Increases: The above appropriation includes \$950,000 of increased funding for each year of the biennium. These funds shall be used only for salaries for auditors, and to provide a 40 hour work week for auditors."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "Charges for Federal, State, and Local Audits" to prohibit the Auditor of Public Accounts from increasing audit fees for county audits, "Restitution of Outstanding Bills", "State Agency Billing", "Compensatory Leave Conversion to Sick Leave", "Auditor Salary Equity", and "Use for Funding Increases".

The Senate deletes in Part I, Operating Budget, General Fund support totaling \$950,000 in each year for the funding of twelve (12) vacant positions (\$400,000 in fiscal year 2006-2007 and \$550,000 in fiscal year 2007-2008), conversion from a 37.5 hour work week

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Auditor of Public Accounts

to a 40 hour work week (\$300,000 in fiscal year 2006-2007 and \$150,000 in fiscal year 2007-2008), and funding of salary equity for merit status auditors (\$250,000 each year).

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference amends Part I, Operating Budget, and removes the language provision as follows:

"Charges for Federal, State, and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds, when the audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency when the costs may be charged against Federal Funds. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office. The Auditor of Public Accounts shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of 120 days or until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996" (OMB Circular No. A-133) have changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional Agency Receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 2006 General Assembly, subject to the conditions and procedures provided in this Act.

Any expenses incurred by the Auditor of Public Accounts for auditing a state or local government agency or other entity upon its request, or for performing an audit required by statute unless the audit is required by those standards governing the audit of the Commonwealth's Comprehensive Financial Report or the provisions contained in the "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996," shall be charged to the agency or entity audited.

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Any expense incurred by the Auditor of Public Accounts for auditing individual governmental entities shall be charged to the agency receiving audit services when expenses are mutually agreed upon or when a legislatively mandated study by the Auditor of Public Accounts has determined the need for the audit."

The Conference amends Part I, Operating Budget, with the language provisions as follows:

"Compensatory Leave Conversion to Sick Leave: If the Auditor of Public Accounts determines that internal budgetary pressures warrant further austerity measures, the State Auditor may institute a policy to suspend payment of 50 hour blocks of compensatory time for those auditors who have accumulated 240 hours of compensatory time and instead to convert those hours to sick leave."

"Auditor Salary Equity: Included in the above General Fund appropriation are funds to provide an increase to each merit classified auditor within the Auditor of Public Accounts office to be added to the eligible employee's base salary effective July 1, 2006. The Secretary of the Personnel Cabinet shall take such action to develop a revised classification and salary compensation schedule to implement this provision in consultation with the Auditor of Public Accounts to be effective by July 1, 2006. This salary increase shall be in addition to any salary increase provided to state employees included in this Act."

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Personnel Board

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	630,600	630,600	630,600						
Restricted Funds				754,500	754,500	754,500	767,100	767,100	767,100
Regular Total Funds	630,600	630,600	630,600	754,500	754,500	754,500	767,100	767,100	767,100
Use of Continuing									
TOTAL FUNDS	630,600	630,600	630,600	754,500	754,500	754,500	767,100	767,100	767,100
II. EXPENDITURE CATEGORY									
Personnel Costs	567,300	567,300	567,300	689,500	689,500	689,500	699,100	699,100	699,100
Operating Expenses	63,300	63,300	63,300	65,000	65,000	65,000	68,000	68,000	68,000
TOTAL EXPENDITURES	630,600	630,600	630,600	754,500	754,500	754,500	767,100	767,100	767,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	592,000	592,000	592,000						
Restricted Funds				552,000	552,000	552,000	552,000	552,000	552,000
Regular Total Funds	592,000	592,000	592,000	552,000	552,000	552,000	552,000	552,000	552,000
Use of Continuing									
TOTAL BASE LEVEL	592,000	592,000	592,000	552,000	552,000	552,000	552,000	552,000	552,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	38,600	38,600	38,600						
Restricted Funds				202,500	202,500	202,500	215,100	215,100	215,100
TOTAL ADDITIONAL	38,600	38,600	38,600	202,500	202,500	202,500	215,100	215,100	215,100
V. ADDITIONAL BUDGET ITEMS									
1	CONT Personnel Board - Current Year Request - Continuation								
ABR2680004	Provide General Fund to support the current level of Hearing Officers for the balance of FY 2005-06.								
General Fund	38,600	38,600	38,600						
Project Total	38,600	38,600	38,600						
2	GB Personnel Board - Additional Hearing Officers and Staff -								
ABR2680003	Provides Restricted Funds to support 2 hearing officers and also provides additional Restricted Funds to support 2 additional Board staff positions.								
Restricted Funds				202,500	202,500	202,500	215,100	215,100	215,100
Project Total				202,500	202,500	202,500	215,100	215,100	215,100

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Personnel Board

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL	38,600	38,600	38,600	202,500	202,500	202,500	215,100	215,100	215,100

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Personnel Board

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, part I, Operating Budget to include the following language provision:

"Personnel Board Operating Assessment: Each agency of the Executive Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year the amount required for the operation of the Personnel Board, as appropriated above. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions of each agency on July 1 each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment and allot these Restricted Funds for the routine operations of the Personnel Board. Notwithstanding KRS 45.229, any Restricted Funds generated by this assessment not spent in fiscal year 2006-2007 shall not lapse but shall be carried forward to the next fiscal year and utilized for the routine operations of the Personnel Board."

"Special Assessment: As a result of increased workload or for other reasons in the best interest of the State Merit System, the Chairman of the Personnel Board may request a special assessment to adequately provide for the financial needs and operation of the Personnel Board. Any special assessment for Personnel Board operations shall receive the prior approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet. Should any special assessment be approved it shall be uniformly implemented in accordance with the same procedures as the regular Personnel Board Operating Assessment."

The House provides Restricted Funds in the amount of \$651,500 in fiscal year 2006-2007 and \$657,500 in fiscal year 2007-2008 to replace General Fund for base operations of the Personnel Board.

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Personnel Board

The House provides additional Restricted Funds in the amount of \$103,000 in fiscal year 2006-2007 and \$109,600 in fiscal year 2007-2008 to support the operational requirements of the Personnel Board.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate deletes the, Part I, Operating Budget language relating to the "Special Assesment".

CONFERENCE REPORT

The Conference concurs with the House.

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Kentucky Retirement Systems

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	11,951,700	11,951,700	11,951,700						
Restricted Funds	21,200,000	21,200,000	21,200,000	22,580,700	22,580,700	22,580,700	24,253,100	24,253,100	24,253,100
Regular Total Funds	33,151,700	33,151,700	33,151,700	22,580,700	22,580,700	22,580,700	24,253,100	24,253,100	24,253,100
Use of Continuing									
TOTAL FUNDS	33,151,700	33,151,700	33,151,700	22,580,700	22,580,700	22,580,700	24,253,100	24,253,100	24,253,100
II. EXPENDITURE CATEGORY									
Personnel Costs	29,508,800	29,508,800	29,508,800	18,797,700	18,797,700	18,797,700	20,090,700	20,090,700	20,090,700
Operating Expenses	3,359,000	3,359,000	3,359,000	3,235,200	3,235,200	3,235,200	3,614,600	3,614,600	3,614,600
Capital Outlay	283,900	283,900	283,900	547,800	547,800	547,800	547,800	547,800	547,800
TOTAL EXPENDITURES	33,151,700	33,151,700	33,151,700	22,580,700	22,580,700	22,580,700	24,253,100	24,253,100	24,253,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	11,951,700	11,951,700	11,951,700						
Restricted Funds	19,965,000	19,965,000	19,965,000	20,683,500	20,683,500	20,683,500	21,527,800	21,527,800	21,527,800
Regular Total Funds	31,916,700	31,916,700	31,916,700	20,683,500	20,683,500	20,683,500	21,527,800	21,527,800	21,527,800
Use of Continuing									
TOTAL BASE LEVEL	31,916,700	31,916,700	31,916,700	20,683,500	20,683,500	20,683,500	21,527,800	21,527,800	21,527,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	1,235,000	1,235,000	1,235,000	1,897,200	1,897,200	1,897,200	2,725,300	2,725,300	2,725,300
TOTAL ADDITIONAL	1,235,000	1,235,000	1,235,000	1,897,200	1,897,200	1,897,200	2,725,300	2,725,300	2,725,300
V. ADDITIONAL BUDGET ITEMS									
1 GB	Kentucky Retirement Systems - Health Insurance Supplement - & Increased service demand by growing retired membership								
ABR1000001	Provide Restricted Funds for 18 additional staff positions in each fiscal year.								
Restricted Funds	1,235,000	1,235,000	1,235,000	1,897,200	1,897,200	1,897,200	2,725,300	2,725,300	2,725,300
Project Total	1,235,000	1,235,000	1,235,000	1,897,200	1,897,200	1,897,200	2,725,300	2,725,300	2,725,300
TOTAL ADDITIONAL	1,235,000	1,235,000	1,235,000	1,897,200	1,897,200	1,897,200	2,725,300	2,725,300	2,725,300

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Kentucky Retirement Systems

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Dependent Subsidy for Retirees - Kentucky Employee Retirement System: Notwithstanding KRS 61.701 and 61.702, the Kentucky Employees Retirement System shall have the authority to draw upon the employer contributions made to each system to support the dependent subsidy provided for a nonhazardous service member's eligible dependents participating in the Kentucky Group Health Insurance Program."

"Dependent Subsidy for Retirees - County Employees Retirement System: Notwithstanding KRS 61.701 and 61.702, the County Employees Retirement System shall have the authority to draw upon the employer contributions made to the system to support the dependent subsidy provided for a nonhazardous service member's eligible dependents participating in the Kentucky Group Health Insurance Program."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

Kentucky Retirement Systems Line of Business Project, Restricted Funds in the amount of \$19,300,000 in fiscal year 2006-2007 and the Franklin County - Lease - Perimeter Park West.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

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Kentucky Retirement Systems

"Dependent Subsidy for Retirees - Kentucky Employee Retirement System: Notwithstanding KRS 61.701 and 61.702, the Kentucky Employees Retirement System shall draw upon the employer contributions made to each system to support the dependent subsidy provided for a nonhazardous service member's eligible dependents participating in the Kentucky Group Health Insurance Program. From July 1, 2006, through December 31, 2007, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. Notwithstanding KRS 61.702, for all retirees under the age of 65, who participate in the Kentucky Group Health Insurance Program through the Kentucky Retirement Systems, the Kentucky Retirement Systems shall pay the same dependent subsidy that the Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit of a benefit protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

"Dependent Subsidy for Retirees - County Employees Retirement System: Notwithstanding KRS 61.701 and 61.702, the County Employees Retirement System shall draw upon the employer contributions made to the system to support the dependent subsidy provided for a nonhazardous service member's eligible dependents participating in the Kentucky Group Health Insurance Program. From July 1, 2006, through December 31, 2007, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. Notwithstanding KRS 61.702, for all retirees under the age of 65, who participate in the Kentucky Group Health Insurance Program through the Kentucky Retirement Systems, the Kentucky Retirement Systems shall pay the same dependent subsidy that the Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit of a benefit protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

The House includes additional Restricted Funds in the amount of \$473,400 in fiscal year 2006-2007 and \$984,800 in fiscal year 2007-2008 to support the operations of the Kentucky Retirement Systems.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate with the following changes:

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Kentucky Retirement Systems

The Conference amends Part I, Operating Budget, language provisions as follows:

"Dependent Subsidy for Retirees - Kentucky Employee Retirement System: From July 1, 2006, through December 31, 2007, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

"Dependent Subsidy for Retirees - County Employees Retirement System: From July 1, 2006, through December 31, 2007, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Kentucky Retirement Systems

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				19,300,000	19,300,000	19,300,000			
TOTAL CAPITAL				19,300,000	19,300,000	19,300,000			
II. CAPITAL PROJECTS									
1	Kentucky Retirement Systems - Line of Business Technology Project								
PRJ1001386									
Restricted Funds				19,300,000	19,300,000	19,300,000			
Project Total				19,300,000	19,300,000	19,300,000			
2	Kentucky Retirement Systems Capital Lease								
PRJ1001387									
Restricted Funds									
Project Total									
TOTAL CAPITAL				19,300,000	19,300,000	19,300,000			

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	18,090,400	18,090,400	18,090,400	18,942,400	18,942,400	18,942,400	19,070,000	19,070,000	19,070,000
Regular Total Funds	18,090,400	18,090,400	18,090,400	18,942,400	18,942,400	18,942,400	19,070,000	19,070,000	19,070,000
Use of Continuing									
TOTAL FUNDS	18,090,400	18,090,400	18,090,400	18,942,400	18,942,400	18,942,400	19,070,000	19,070,000	19,070,000
II. EXPENDITURE CATEGORY									
Personnel Costs	12,621,200	12,621,200	12,621,200	13,262,600	13,262,600	13,262,600	13,486,300	13,486,300	13,486,300
Operating Expenses	4,697,300	4,697,300	4,697,300	4,957,600	4,957,600	4,957,600	4,901,500	4,901,500	4,901,500
Grants, Loans, Benefits	712,000	712,000	712,000	612,200	612,200	612,200	612,200	612,200	612,200
Capital Outlay	59,900	59,900	59,900	110,000	110,000	110,000	70,000	70,000	70,000
TOTAL EXPENDITURES	18,090,400	18,090,400	18,090,400	18,942,400	18,942,400	18,942,400	19,070,000	19,070,000	19,070,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	18,090,400	18,090,400	18,090,400	18,867,900	18,867,900	18,867,900	19,033,100	19,033,100	19,033,100
Regular Total Funds	18,090,400	18,090,400	18,090,400	18,867,900	18,867,900	18,867,900	19,033,100	19,033,100	19,033,100
Use of Continuing									
TOTAL BASE LEVEL	18,090,400	18,090,400	18,090,400	18,867,900	18,867,900	18,867,900	19,033,100	19,033,100	19,033,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				74,500	74,500	74,500	36,900	36,900	36,900
TOTAL ADDITIONAL				74,500	74,500	74,500	36,900	36,900	36,900
V. ADDITIONAL BUDGET ITEMS									
1 GB	Boards and Commissions - Architects								
ABR2000002	Provide funding to support an increase in operating expenses related to the boards relocation into state owned office space.								
Restricted Funds				38,900	38,900	38,900	34,700	34,700	34,700
Project Total				38,900	38,900	38,900	34,700	34,700	34,700
2 CONT	Boards and Commissions - Optometric Examiners								
ABR2600002	Provide funding to support additional operating costs.								
Restricted Funds				7,600	7,600	7,600	2,200	2,200	2,200
Project Total				7,600	7,600	7,600	2,200	2,200	2,200

Operating Budget

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Operating Budget

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
Private Investigators									
Restricted Funds	64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200
Licensed Professional Counselors									
Restricted Funds	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200
Proprietary Education									
Restricted Funds	164,300	164,300	164,300	164,300	164,300	164,300	164,300	164,300	164,300
Examiners of Psychology									
Restricted Funds	176,100	176,100	176,100	176,100	176,100	176,100	176,100	176,100	176,100
Real Estate Appraisers									
Restricted Funds	589,000	589,000	589,000	602,700	602,700	602,700	604,200	604,200	604,200
Real Estate Commission									
Restricted Funds	2,299,400	2,299,400	2,299,400	2,744,300	2,744,300	2,744,300	2,666,600	2,666,600	2,666,600
Respiratory Care									
Restricted Funds	123,600	123,600	123,600	127,100	127,100	127,100	127,100	127,100	127,100
Social Work									
Restricted Funds	145,300	145,300	145,300	145,300	145,300	145,300	145,300	145,300	145,300
Speech-Language Pathology and Audiology									
Restricted Funds	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Veterinary Examiners									
Restricted Funds	237,800	237,800	237,800	237,800	237,800	237,800	237,800	237,800	237,800
TOTAL	18,090,400	18,090,400	18,090,400	18,942,400	18,942,400	18,942,400	19,070,000	19,070,000	19,070,000

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Budget Modification Report**

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Boards and Commissions

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Boards and Commissions, Restricted Funds, in fiscal year 2005-2006 for the following amounts:

<u>Boards and Commissions</u>	<u>FY 2005-2006</u>
Accountancy	20,000
Chiropractic	20,000
Professional Counselors	50,000
Massage Therapists	50,000
Dentistry	30,000
Funeral Directors	5,000
Landscape	5,000
Psychology	50,000
Social	20,000
Medical	20,000
Nursing	50,000
Occupational	25,000
Pharmacy	20,000
Podiatry	7,000
Appraisers	10,000
Engineers	50,000
Veterinary	45,000
Geologists	35,000
Real Estate	50,000

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes new funding initiatives, are provided above the base and defined calculations, in Restricted Funds for Architects in the amount of \$38,900 in FY 2006-2007 and \$34,700 in fiscal year 2007-

**Fiscal Biennium 2006-2008
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Boards and Commissions

2008, Optometric Examiners in the amount of \$7,600 in fiscal year 2006-2007 and \$2,200 in fiscal year 2007-2008, and Pharmacy in the amount of \$28,000 in fiscal year 2006-2007 for additional operating expenditures.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to eliminate fund transfers in fiscal year 2005-2006 from the Boards and Commissions listed above.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate with the following change:

The Conference adds a Part I, Operating Budget, language provision for the Board of Embalmers and Funeral Directors as follows:

"Military Burial Honor Guard Program: Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors on the implementation of the Military Burial Honor Guard Program. The Board of Embalmers and Funeral Directors shall mail program notification letters to all licensed embalmers and funeral directors with information related to program description and contacts for the Military Burial Honor Guard Program. These letters shall be mailed with the annual renewal notifications prior to July 1 each year. New applicants will receive their notification of the program at the time of licensing. The Board of Embalmers and Funeral Directors shall establish a section on the Board's Web site pertaining to the Military Burial Honor Guard Program. The Department of Military Affairs and the Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors, Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the implementation of the Military Burial Honor Guard Program. The report shall include recommendations on organizational related matters, training and continuing education needs, equipment requirements for organizations performing or coordinating the honors ceremonies, and the expenditure of funds."

A - General Government

Capital Budget

Boards and Commissions

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Jefferson County - Lease

PRJ2500001

General Fund

Project Total

TOTAL CAPITAL

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Emergency Medical Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,384,800	2,384,800	2,384,800	2,393,700	2,393,700	2,393,700	2,373,800	2,373,800	2,373,800
Restricted Funds	211,700	211,700	211,700	401,300	401,300	401,300	422,700	422,700	422,700
Federal Funds	932,800	932,800	932,800	155,000	155,000	155,000	155,000	155,000	155,000
Regular Total Funds	3,529,300	3,529,300	3,529,300	2,950,000	2,950,000	2,950,000	2,951,500	2,951,500	2,951,500
Use of Continuing									
TOTAL FUNDS	3,529,300	3,529,300	3,529,300	2,950,000	2,950,000	2,950,000	2,951,500	2,951,500	2,951,500
II. EXPENDITURE CATEGORY									
Personnel Costs	1,036,700	1,036,700	1,036,700	1,151,000	1,151,000	1,151,000	1,152,500	1,152,500	1,152,500
Operating Expenses	1,132,600	1,132,600	1,132,600	374,000	374,000	374,000	374,000	374,000	374,000
Grants, Loans, Benefits	1,335,000	1,335,000	1,335,000	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
Capital Outlay	25,000	25,000	25,000						
TOTAL EXPENDITURES	3,529,300	3,529,300	3,529,300	2,950,000	2,950,000	2,950,000	2,951,500	2,951,500	2,951,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,384,800	2,384,800	2,384,800	2,393,700	2,393,700	2,393,700	2,373,800	2,373,800	2,373,800
Restricted Funds	171,700	171,700	171,700	184,700	184,700	184,700	203,100	203,100	203,100
Federal Funds	932,800	932,800	932,800	155,000	155,000	155,000	155,000	155,000	155,000
Regular Total Funds	3,489,300	3,489,300	3,489,300	2,733,400	2,733,400	2,733,400	2,731,900	2,731,900	2,731,900
Use of Continuing									
TOTAL BASE LEVEL	3,489,300	3,489,300	3,489,300	2,733,400	2,733,400	2,733,400	2,731,900	2,731,900	2,731,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	40,000	40,000	40,000	216,600	216,600	216,600	219,600	219,600	219,600
TOTAL ADDITIONAL	40,000	40,000	40,000	216,600	216,600	216,600	219,600	219,600	219,600
V. ADDITIONAL BUDGET ITEMS									
1 GB Emergency Medical Services									
ABR1870001	Provide funding to support one (1) new position to oversee the data collection system.								
Restricted Funds	40,000	40,000	40,000	46,600	46,600	46,600	49,600	49,600	49,600
Project Total	40,000	40,000	40,000	46,600	46,600	46,600	49,600	49,600	49,600
2 NEW Emergency Medical Services									
ABR1870002	Provide funding to support a contract for a State Medical Director.								
Restricted Funds				80,000	80,000	80,000	80,000	80,000	80,000
Project Total				80,000	80,000	80,000	80,000	80,000	80,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Emergency Medical Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3 EXPAN Emergency Medical Services									
ABR1870003 Provide funding to support the counties purchase of equipment and access to the data collection system.									
Restricted Funds				90,000	90,000	90,000	90,000	90,000	90,000
Project Total				90,000	90,000	90,000	90,000	90,000	90,000
TOTAL ADDITIONAL	40,000	40,000	40,000	216,600	216,600	216,600	219,600	219,600	219,600

TRANSFERS TO THE GENERAL FUND

Emergency Medical Services

Agency Revenue Fund	162,500	162,500	162,500
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TOTAL	162,500	162,500	162,500
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Board of Emergency Medical Services

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from The Board of Emergency Medical Services, Restricted Funds of \$82,500 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes additional Restricted Funds of \$40,000 in fiscal year 2005-2006, \$46,600 in fiscal year 2006-2007, and \$49,600 in fiscal year 2007-2008, for one position to support the data collection system. Additional Restricted Funds in the amount of \$80,000 is provided in fiscal year 2005-2006, fiscal year 2006-2007, and fiscal year 2007-2008 to augment grants from the Department of Homeland Security and The Office of Bioterrorism, in cooperation with the University of Louisville for a contractual basis to hire a State Medical Director. Additional Restricted Funds in the amount of \$90,000 is provided in each year of the biennium to implement a data collection system.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide \$80,000 Restricted Funds in fiscal year 2005-2006 to support a contract for a State Medical Director.

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfer, to transfer \$80,000 Restricted Funds in fiscal year 2005-2006 to the General Fund.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Kentucky River Authority

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	327,000	327,000	327,000	368,200	368,200	368,200	1,163,800	348,800	1,978,800
Restricted Funds	1,408,200	1,408,200	1,408,200	1,316,600	5,436,600	5,436,600	1,790,800	1,322,800	4,414,800
Regular Total Funds	1,735,200	1,735,200	1,735,200	1,684,800	5,804,800	5,804,800	2,954,600	1,671,600	6,393,600
Use of Continuing									
TOTAL FUNDS	1,735,200	1,735,200	1,735,200	1,684,800	5,804,800	5,804,800	2,954,600	1,671,600	6,393,600
II. EXPENDITURE CATEGORY									
Personnel Costs	702,200	702,200	702,200	657,500	657,500	657,500	668,500	668,500	668,500
Operating Expenses	174,800	174,800	174,800	145,200	145,200	145,200	146,000	146,000	146,000
Grants, Loans, Benefits	340,000	340,000	340,000	350,000	350,000	350,000	350,000	350,000	350,000
Debt Service							1,283,000		4,722,000
Capital Outlay	18,200	18,200	18,200	32,100	32,100	32,100	7,100	7,100	7,100
Construction	500,000	500,000	500,000	500,000	4,620,000	4,620,000	500,000	500,000	500,000
TOTAL EXPENDITURES	1,735,200	1,735,200	1,735,200	1,684,800	5,804,800	5,804,800	2,954,600	1,671,600	6,393,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	327,000	327,000	327,000	368,200	368,200	368,200	348,800	348,800	348,800
Restricted Funds	1,408,200	1,408,200	1,408,200	816,600	816,600	816,600	822,800	822,800	822,800
Regular Total Funds	1,735,200	1,735,200	1,735,200	1,184,800	1,184,800	1,184,800	1,171,600	1,171,600	1,171,600
Use of Continuing									
TOTAL BASE LEVEL	1,735,200	1,735,200	1,735,200	1,184,800	1,184,800	1,184,800	1,171,600	1,171,600	1,171,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							815,000		1,630,000
Restricted Funds				500,000	4,620,000	4,620,000	968,000	500,000	3,592,000
TOTAL ADDITIONAL				500,000	4,620,000	4,620,000	1,783,000	500,000	5,222,000
V. ADDITIONAL BUDGET ITEMS									
1 GB KRA- Water Storage Capital Project Funding									
ABR0840001 Provide Restricted Funds to be transferred to the Capital Budget.									
Restricted Funds				500,000	4,620,000	4,620,000	500,000	500,000	500,000
Project Total				500,000	4,620,000	4,620,000	500,000	500,000	500,000
2 CONT KRA - Water Storage Dam 9 and 10									
ABR0840005 Provide General Fund debt service on \$17.5 million Bonds.									
General Fund							815,000		
Project Total							815,000		

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Kentucky River Authority

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3 NEW KRA- Lock 3 Renovation Capital Project Funding								
ABR0840002 Provide Restricted Fund debt service on \$5.0 million Agency Bond Funds.								
Restricted Funds						468,000		
Project Total						468,000		
4 NEW Kentucky River Authority Locks and Dams Renovations & Maintenance Pool								
ABR0840006 Provide General Fund debt service on \$17,500,000 Bond Funds and Agency Funds debt service on \$33,200,000 Agency Bonds.								
General Fund								1,630,000
Restricted Funds								3,092,000
Project Total								4,722,000
TOTAL ADDITIONAL			500,000	4,620,000	4,620,000	1,783,000	500,000	5,222,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Kentucky River Authority

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding that portion of the provision of KRS 151.710(10) that directs the Finance and Administration Cabinet to provide administrative services for the Kentucky River Authority, Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies."

The State/Executive Branch Budget Bill, Part I, Operating Budget provides for a transfer from the Operating Budget to the Capital Budget, of Tier I, Water Use Fee Restricted Funds in the amount of \$4,620,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008. This transfer supports the Kentucky River Water Storage Dams 9 & 10 project, the Kentucky River Dam Maintenance Pool and the Kentucky River Lock 3 Renovation project.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces Restricted Funds support in the amount of \$4,120,000 in fiscal year 2006-2007 for a transfer to the Kentucky River Authority Capital Budget.

The House provides Restricted Funds totaling \$468,000 in fiscal year 2007-2008 for debt service on the Kentucky River Authority Lock 3 Renovation Capital Project.

The House provides General Fund support totaling \$815,000 in fiscal year 2007-2008 for debt service on the Kentucky River Authority Water Storage Dam 9 and 10 Capital Project.

**Fiscal Biennium 2006-2008
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Kentucky River Authority

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Water Withdrawal Fee Rates: Notwithstanding KRS 151.723, the Kentucky River Authority shall not increase the water withdrawal fees."

"Debt Service Lock 3 Renovation Project: Included in the above Restricted Funds appropriation is \$468,000 in fiscal year 2007-2008 for debt service on the Lock 3 Renovation project of \$5,000,000 Agency Bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Debt Service KY River Water Storage Dams 9 & 10: Included in the above General Fund appropriation is \$815,000 in fiscal year 2007-2008 for debt service on the KY River Water Storage Dams 9 & 10 project of \$17,500,000 Bond Funds as set forth in Part II, Capital Projects Budget, of this Act."

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include Bond Funds totaling \$17,500,000 in fiscal year 2006-2007, for the KY River Water Storage Dams 9 and 10 project, and does not provide funding from other sources, and provides \$5,000,000 Agency Bonds in fiscal year 2006-2007, for the KY River Lock 3 Renovation project, and does not provide funding from other sources.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate adds in Part I, Operating Budget, Restricted Fund support totaling \$4,120,000 in fiscal year 2006-2007 as a transfer to the Capital Budget.

The Senate does not provide in Part I, Operating Budget, General Fund support of \$815,000 in fiscal year 2007-2008 and Restricted Fund support of \$468,000 in fiscal year 2007-2008 for debt service.

The Senate deletes Part I, Operating Budget, language provisions related to "Debt Service Lock 3 Renovation Project" and "Debt Service KY River Water Storage Dams and 10".

**Fiscal Biennium 2006-2008
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Kentucky River Authority

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides additional General Fund support totaling \$1,630,000 in fiscal year 2007-2008 and Restricted Funds of \$3,092,000 for debt service on \$17,500,000 Bond Funds and \$33,200,000 Agency Bonds for the Kentucky River Locks and Dams Maintenance and Renovations Pool Capital Project.

The Conference adds a Part I, Operating Budget, language provision as follows:

"Debt Service - Kentucky River Locks and Dams Maintenance and Renovations Pool: Included in the above General Fund appropriation is \$1,630,000 in fiscal year 2007-2008 for debt service on \$17,500,000 in Bond Funds, and in the Restricted Funds appropriation \$3,092,000 in fiscal year 2007-2008 for debt service on \$33,200,000 in Agency Bond Funds for the Kentucky River Locks and Dams Maintenance and Renovations Pool, as set forth in Part II, Capital Projects Budget, of this Act. The Agency Bonds may be issued by the State Property and Buildings Commission or the Kentucky Assets Liability Commission."

The Conference does not provide funding in Part II, Capital Budget, for the "Kentucky River Water Storage Dams 9 & 10", "Kentucky River Lock 3 Renovation" and the "Kentucky River Dam Maintenance Pool".

The Conference adds a Part II, Capital Budget, project "Kentucky River Locks and Dams Maintenance and Renovations Pool" by providing \$17,500,000 Bond Funds, \$33,200,000 Agency Bond Funds and \$4,600,000 Restricted Funds in fiscal year 2006-2007 for a total of \$55,300,000.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

Kentucky River Authority

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				500,000	4,620,000	4,600,000	500,000	500,000	
Bond Funds				17,500,000		17,500,000			
Agency Bonds				5,000,000		33,200,000			
Emergency Repair Maintenance and Replacement					500,000				
TOTAL CAPITAL				23,000,000	5,120,000	55,300,000	500,000	500,000	
II. CAPITAL PROJECTS									
1	KY RIVER WATER STORAGE DAMS 9 & 10								
PRJ0841505									
Restricted Funds					3,620,000				
Bond Funds				17,500,000					
Project Total				17,500,000	3,620,000				
2	KY RIVER DAM MAINTENANCE POOL								
PRJ0841506									
Restricted Funds				500,000	500,000		500,000	500,000	
Project Total				500,000	500,000		500,000	500,000	
3	KY RIVER LOCK 3 RENOVATION								
PRJ0841507									
Restricted Funds					500,000				
Agency Bonds				5,000,000					
Emergency Repair Maintenance and Replacement					500,000				
Project Total				5,000,000	1,000,000				
4	Kentucky River Locks and Dams Maintenance and Renovations Pool								
PRJ0841509									
Restricted Funds						4,600,000			
Bond Funds						17,500,000			
Agency Bonds						33,200,000			
Project Total						55,300,000			
TOTAL CAPITAL				23,000,000	5,120,000	55,300,000	500,000	500,000	

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

School Facilities Construction Commission

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	91,537,000	91,537,000	91,537,000	107,589,000	107,589,000	107,589,000	117,974,500	117,974,500	117,974,500
Regular Total Funds	91,537,000	91,537,000	91,537,000	107,589,000	107,589,000	107,589,000	117,974,500	117,974,500	117,974,500
Use of Continuing									
TOTAL FUNDS	91,537,000	91,537,000	91,537,000	107,589,000	107,589,000	107,589,000	117,974,500	117,974,500	117,974,500
II. EXPENDITURE CATEGORY									
Personnel Costs	235,400	235,400	235,400	235,700	235,700	235,700	242,500	242,500	242,500
Operating Expenses	27,500	27,500	27,500	24,000	24,000	24,000	24,000	24,000	24,000
Grants, Loans, Benefits							5,000,000	5,000,000	5,000,000
Debt Service	91,274,100	91,274,100	91,274,100	107,329,300	107,329,300	107,329,300	112,708,000	112,708,000	112,708,000
TOTAL EXPENDITURES	91,537,000	91,537,000	91,537,000	107,589,000	107,589,000	107,589,000	117,974,500	117,974,500	117,974,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	91,537,000	91,537,000	91,537,000	105,901,000	105,901,000	105,901,000	104,535,500	104,535,500	104,535,500
Regular Total Funds	91,537,000	91,537,000	91,537,000	105,901,000	105,901,000	105,901,000	104,535,500	104,535,500	104,535,500
Use of Continuing									
TOTAL BASE LEVEL	91,537,000	91,537,000	91,537,000	105,901,000	105,901,000	105,901,000	104,535,500	104,535,500	104,535,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,688,000	1,688,000	1,688,000	13,439,000	13,439,000	13,439,000
TOTAL ADDITIONAL				1,688,000	1,688,000	1,688,000	13,439,000	13,439,000	13,439,000
V. ADDITIONAL BUDGET ITEMS									
1	EXPAN School Facilities Construction Commission - 2005 Offers of Assistance								
ABR3450002	Provides funds for debt service on \$100 M in offers of assistance authorized by the General Assembly in the 2005 Regular Session.								
General Fund				1,688,000	1,688,000	1,688,000	6,329,000	6,329,000	6,329,000
Project Total				1,688,000	1,688,000	1,688,000	6,329,000	6,329,000	6,329,000
2	EXPAN School Facilities Construction Commission - Additional Offers of Assistance								
ABR3450001	Provides funds for debt service for \$50 million of offers to school districts based on criteria developed by the Kentucky Department of Education and the School Facilities Construction Commission.								
General Fund							2,110,000	2,110,000	2,110,000
Project Total							2,110,000	2,110,000	2,110,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

School Facilities Construction Commission

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3	EXPAN School Facilities Construction Commission - Urgent Need School Trust Fund									
ABR3450007	Provides funds for facility needs identified by the School Facilities Construction Commission and the Kentucky Department of Education.									
General Fund								5,000,000		5,000,000
Project Total								5,000,000		5,000,000
4	EXPAN School Facilities Construction Commission - Supplementary School Building Construction Fund									
ABR3450008	Provides funds for facility needs identified by the School Facilities Construction Commission and the Kentucky Department of Education.									
General Fund									5,000,000	
Project Total									5,000,000	
TOTAL ADDITIONAL					1,688,000	1,688,000	1,688,000	13,439,000	13,439,000	13,439,000

**Fiscal Biennium 2006-2008
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School Facilities Construction Commission

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$1,688,000 in fiscal year 2006-2007 and \$8,438,000 in fiscal year 2007-2008 for debt service on \$100,000,000 in bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Growth Nickel Levy: The Facilities Support Program of Kentucky is fully funded in the 2006-2008 fiscal biennium. Notwithstanding KRS 157.621(3), local school districts may exercise authority expressed in KRS 157.621(1) and (2)."

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year, and shall not be equalized with state funding. The levy shall be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse, but shall carry forward at the end of each fiscal year."

"Additional Offers of Assistance: Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2006-2008

**Fiscal Biennium 2006-2008
Budget Modification Report**

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School Facilities Construction Commission

biennium in anticipation of debt service availability during the 2008-2010 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2006-2008 biennium."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides General Fund support totaling \$6,329,000 in fiscal year 2007-2008 for seventy-five percent of a full year of debt service for the \$100,000,000 of Offers of Assistance described in Part II.

The House provides General Fund support totaling \$2,110,000 in fiscal year 2007-2008 for debt service for \$50,000,000 in Additional Offers of Assistance as described in Part II.

The House provides General Fund Support totaling \$5,000,000 in fiscal year 2007-2008 for the Urgent Need School Trust Fund.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to amend the following language provisions:

"Debt Service: Included in the above General Fund appropriation is \$1,688,000 in fiscal year 2006-2007 and \$8,439,000 in fiscal year 2007-2008 for debt service on \$150,000,000 in bonds as set forth in Part II, Capital Projects Budget, of this Act."

"School Facility Revenue: Notwithstanding KRS 157.621, any school district may levy an additional five cents tax for debt services and new facilities in addition to the taxes levied in KRS 157.440(1)(b) if the local school facility plan has been approved by the Kentucky Board of Education and certified to the School Facilities Construction Commission, and the local board of education has not previously levied an equivalent tax rate of ten cents for such building purposes. The levy shall not be equalized and shall not be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse, but shall carry forward at the end of each fiscal year. The Secretary of the Finance and Administration Cabinet, the Commissioner of Education, and the Executive Director of the

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School Facilities Construction Commission

School Facilities Construction Commission shall jointly establish an Urgent Need School Trust Fund Advisory Committee to develop guidelines for the distribution of funds and to advise the School Facilities Construction Commission on the distribution of funds from this trust fund. Funds may be distributed to local school districts as direct grants, loans, or as equalization funds in situations where school districts have levied additional taxes for school construction purposes. The guidelines developed for distribution of funds from this trust fund shall be developed and presented to the Interim Joint Committee on Appropriations and Revenue no later than September 31, 2006. Funds may be distributed from the trust fund after October 1, 2006."

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Offers of Assistance: Notwithstanding KRS 157.622, a local school district may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed eight years."

"Debt Service: Notwithstanding KRS 45.229, moneys appropriated for debt service shall not lapse but shall be credited to the Urgent Need School Trust Fund."

"Administrative Costs: The School Facilities Construction Commission may utilize up to \$300,000 in each fiscal year of the 2006-2008 biennium for administrative purposes."

"School Facilities Evaluation: The Kentucky Department of Education, in partnership with the School Facilities Construction Commission, shall conduct a comprehensive evaluation of the current facilities planning process, the process for categorizing schools for planning and funding purposes, major plant maintenance planning and implementation, the process used to determine unmet school facility needs, and the degree of equity in the distribution of state capital funds. The department shall involve local superintendents, finance officers, facility managers and other local school personnel, consultants who are knowledgeable in school facilities planning and construction, and others as deemed appropriate.

The evaluation shall consider:

(a) The feasibility of adding weights for special needs or situations, including but not limited to student growth, inadequate classroom space, student accommodations, health and safety needs, school district size, and overall building condition as certified by the Department of Education, in the calculation of unmet needs;

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School Facilities Construction Commission

- (b) The adequacy of long-range planning for plant maintenance, procedures for improving long-range planning, and the appropriate level of monitoring by local and state officials;
- (c) Measurable, objective criteria for categorizing schools for local planning purposes and for the distribution of state capital funds;
- (d) A waiver system to accommodate special facility needs;
- (e) The level of technical assistance and training that is necessary to ensure that local school district personnel are knowledgeable of the facility planning process, capital construction funding mechanisms, and long-range planning and examine the most effective methods for providing technical assistance and training; and
- (f) A detailed review of all capital funding sources to include an examination of the individual and cumulative effect of multiple funding sources on the equitable distribution of state capital construction funds and the effects of permitting individual school districts to levy additional taxes for construction purposes based on special or unique circumstances in that school district.

Notwithstanding KRS 157.622, the School Facilities Construction Commission shall incorporate the findings and recommendations of this evaluation in determining the 2006 Offers of Assistance to local school districts. The School Facilities Construction Commission is authorized to make the 2006 Offers of Assistance prior to completion of this evaluation if sufficient data and other information is available.

A preliminary report shall be made to the Interim Joint Committee on Appropriations and Revenue no later than September 15, 2006, and a final report, including recommendations for regulatory or statutory change, shall be made no later than September 30, 2006."

"Use of Local District Capital Outlay Funds: Notwithstanding KRS 157.420(4) and (6), a local district may submit a request to the Commissioner of Education to use capital outlay funds for maintenance expenditures or for the purchase of property insurance in fiscal year 2006-2007 and fiscal year 2007-2008 without forfeiture of the district's participation in the School Facilities Construction Commission Program."

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School Facilities Construction Commission

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include Bond Funds totaling \$50,000,000 to support Additional Offers of Assistance.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides General Fund support totaling \$5,000,000 in fiscal year 2007-2008 for the Supplementary School Building Construction Fund.

The Senate does not provide General Fund support for the Urgent Need School Trust Fund in fiscal year 2007-2008.

The Senate modifies Part I, Operating Budget, language provision as follows:

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year and shall not be equalized with state funding. The levy shall be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse, but shall carry forward at the end of each fiscal year."

"Debt Service: Notwithstanding KRS 45.229, moneys appropriated for debt service shall not lapse but shall be credited to the Supplementary School Building Construction Fund."

The Senate adds a Part I, Operating Budget, language provision as follows:

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Budget Modification Report**

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School Facilities Construction Commission

"Supplementary School Building Construction Fund: The Supplementary School Building Construction Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Supplementary School Building Construction Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the fund and invested until needed. All interest earned on the fund shall be retained in the fund. The Secretary of the Finance and Administration Cabinet, the Commissioner of Education, and the Executive Director of the School Facilities Construction Commission shall jointly establish a Supplementary School Building Construction Fund Advisory Committee to develop guidelines for the distribution of funds and to advise the School Facilities Construction Commission on the distribution of funds from this fund. Funds may be distributed to local school districts to address anomalies in the existing school construction funding formulas as direct grants, loans, matching funds, additional offers of assistance, or as equalization funds in situations where school districts have levied additional taxes for school construction purposes. The guidelines developed for distribution of funds from this fund shall be developed and presented to the Interim Joint Committee on Appropriations and Revenue no later than September 31, 2006. Area Vocational Centers shall be eligible to participate in the Supplementary School Building Construction Fund. Included in the above appropriation is \$5,000,000 in fiscal year 2007-2008 for the Supplementary School Building Construction Fund. These funds may be distributed after July 1, 2006. In addition, \$25,000,000 in Bond Funds authorized in subsection (1) of this section shall be distributed to local school districts based on the guidelines developed by the Supplementary School Building Construction Fund Advisory Committee. These additional offers of assistance may be made after October 1, 2006."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference provides General Fund support totaling \$6,329,000 in fiscal year 2007-2008 for seventy-five percent of a full year of debt service for the \$100,000,000 of Offers of Assistance described in Part II.

The Conference provides General Fund support totaling \$2,110,000 in fiscal year 2007-2008 for debt service for \$50,000,000 in Additional Offers of Assistance as described in Part II.

The Conference provides General Fund Support totaling \$5,000,000 in fiscal year 2007-2008 for the Urgent Need School Trust Fund.

The Conference amends Part I, Operating Budget, language provisions as follows:

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School Facilities Construction Commission

"Debt Service: Included in the above General Fund appropriation is \$1,688,000 in fiscal year 2006-2007 and \$8,439,000 in fiscal year 2007-2008 for debt service on \$150,000,000 in bonds as set forth in Part II, Capital Projects Budget, of this Act."

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year and shall not be equalized with state funding. The levy shall be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse, but shall carry forward at the end of each fiscal year.

The Secretary of the Finance and Administration Cabinet, the Commissioner of Education, and the Executive Director of the School Facilities Construction Commission shall jointly establish an Urgent Need School Trust Fund Advisory Committee to develop guidelines for the distribution of funds and to advise the School Facilities Construction Commission on the distribution of funds from this trust fund. Funds may be distributed to local school districts to address anomalies in the existing school construction funding formulas as direct grants, loans, matching funds, additional offers of assistance to address districts' unmet needs, or as equalization funds in situations where school districts have levied additional taxes for school construction purposes. The guidelines developed for distribution of funds from this trust fund shall be developed and presented to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education no later than September 31, 2006. Area Vocational Centers shall be eligible to participate in the Urgent Need School Trust Fund. Included in the above appropriation is \$5,000,000 in fiscal year 2007-2008 for the Urgent Need School Trust Fund that may be distributed after July 1, 2007. In addition, funds authorized in subsections (1) and (6) of this section may be distributed to local school districts based on the guidelines developed by the Urgent Need School Trust Fund Advisory Committee after July 1, 2007."

The Conference adds Part I, Operating Budget, language provisions as follows:

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School Facilities Construction Commission

"Offers of Assistance: Notwithstanding KRS 157.622, a local school district may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed eight years."

"Debt Service: Notwithstanding KRS 45.229, moneys appropriated for debt service shall not lapse but shall be credited to the Urgent Need School Trust Fund."

"Administrative Costs: The School Facilities Construction Commission may utilize up to \$300,000 in each fiscal year of the 2006-2008 biennium for administrative purposes."

"School Facilities Evaluation: The Kentucky Department of Education, in partnership with the School Facilities Construction Commission, shall conduct a comprehensive evaluation of the current facilities planning process, the process for categorizing schools for planning and funding purposes, major plant maintenance planning and implementation, the process used to determine unmet school facility needs, and the degree of equity in the distribution of state capital funds. The department shall involve local superintendents, finance officers, facility managers and other local school personnel, consultants who are knowledgeable in school facilities planning and construction, and others as deemed appropriate.

The evaluation shall consider:

- (a) The feasibility of adding weights for special needs or situations, including but not limited to student growth, inadequate classroom space, student accommodations, health and safety needs, compliance with the Americans with Disabilities Act, school district size, and overall building condition as certified by the Department of Education, in the calculation of unmet needs;
- (b) The adequacy of long-range planning for plant maintenance, procedures for improving long-range planning, and the appropriate level of monitoring by local and state officials;
- (c) Measurable, objective criteria for categorizing schools for local planning purposes and for the distribution of state capital funds;
- (d) A waiver system to accommodate special facility needs;
- (e) The level of technical assistance and training that is necessary to ensure that local school district personnel are knowledgeable of the facility planning process, capital construction funding mechanisms, and long-range planning and examine the most effective methods for providing technical assistance and training; and
- (f) A detailed review of all capital funding sources, and a study of local effort, to include an examination of the individual and cumulative effect of multiple funding sources on the equitable distribution of state capital construction funds and the effects of permitting individual school districts to levy additional taxes for construction purposes based on special or unique circumstances in that school district.

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School Facilities Construction Commission

Notwithstanding KRS 157.622, the School Facilities Construction Commission , in cooperation with the Urgent Need School Trust Fund Advisory Committee, shall incorporate the findings and recommendations of this evaluation in determining the 2006 Offers of Assistance to local school districts. The School Facilities Construction Commission is authorized to make the 2006 Offers of Assistance prior to completion of this evaluation if sufficient data and other information is available.

A preliminary report shall be made to the Interim Joint Committee on Appropriations and Revenue no later than September 15, 2006, and a final report, including recommendations for regulatory or statutory change, shall be made no later than September 30, 2006."

"Use of Local District Capital Outlay Funds: Notwithstanding KRS 157.420(4) and (6), a local district may submit a request to the Commissioner of Education to use capital outlay funds for maintenance expenditures or for the purchase of property insurance in fiscal year 2006-2007 and fiscal year 2007-2008 without forfeiture of the district's participation in the School Facilities Construction Commission Program."

The Conference amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include Bond Funds totaling \$50,000,000 to support Additional Offers of Assistance.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Capital Budget

School Facilities Construction Commission

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				150,000,000	150,000,000	150,000,000			
TOTAL CAPITAL				150,000,000	150,000,000	150,000,000			
II. CAPITAL PROJECTS									
1	School Facilities Construction Commission Reauthorization (\$73,300,000 Bond Funds)								
PRJ3451509									
Bond Funds									
Project Total									
2	Offers of Assistance								
PRJ3451510									
Bond Funds				100,000,000	100,000,000	100,000,000			
Project Total				100,000,000	100,000,000	100,000,000			
3	Urgent Needs School Trust Fund Reauthorization (\$91,536,000 Bond Funds)								
PRJ3451511									
Bond Funds									
Project Total									
4	Additional Offers of Assistance								
PRJ3451508									
Bond Funds				50,000,000	50,000,000	50,000,000			
Project Total				50,000,000	50,000,000	50,000,000			
5	Category 5 School Buildings Reauthorization (\$24,071,600 Bond Funds)								
PRJ3451513									
Bond Funds									
Project Total									
TOTAL CAPITAL				150,000,000	150,000,000	150,000,000			

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Teachers Retirement System

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	130,799,600	130,799,600	130,799,600	157,326,100	157,326,100	157,326,100	183,323,100	183,323,100	183,323,100
Restricted Funds	8,613,500	8,613,500	8,613,500	9,409,300	9,409,300	9,409,300	10,361,500	10,361,500	10,361,500
Regular Total Funds	139,413,100	139,413,100	139,413,100	166,735,400	166,735,400	166,735,400	193,684,600	193,684,600	193,684,600
Use of Continuing									
TOTAL FUNDS	139,413,100	139,413,100	139,413,100	166,735,400	166,735,400	166,735,400	193,684,600	193,684,600	193,684,600
II. EXPENDITURE CATEGORY									
Personnel Costs	7,188,100	7,188,100	7,188,100	7,983,900	7,983,900	7,983,900	8,936,100	8,936,100	8,936,100
Operating Expenses	1,296,700	1,296,700	1,296,700	1,296,700	1,296,700	1,296,700	1,296,700	1,296,700	1,296,700
Grants, Loans, Benefits	130,799,600	130,799,600	130,799,600	157,326,100	157,326,100	157,326,100	183,323,100	183,323,100	183,323,100
Capital Outlay	128,700	128,700	128,700	128,700	128,700	128,700	128,700	128,700	128,700
TOTAL EXPENDITURES	139,413,100	139,413,100	139,413,100	166,735,400	166,735,400	166,735,400	193,684,600	193,684,600	193,684,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	130,799,600	130,799,600	130,799,600	130,428,400	130,428,400	130,428,400	132,158,400	132,158,400	132,158,400
Restricted Funds	8,613,500	8,613,500	8,613,500	9,409,300	9,409,300	9,409,300	10,361,500	10,361,500	10,361,500
Regular Total Funds	139,413,100	139,413,100	139,413,100	139,837,700	139,837,700	139,837,700	142,519,900	142,519,900	142,519,900
Use of Continuing									
TOTAL BASE LEVEL	139,413,100	139,413,100	139,413,100	139,837,700	139,837,700	139,837,700	142,519,900	142,519,900	142,519,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				26,897,700	26,897,700	26,897,700	51,164,700	51,164,700	51,164,700
TOTAL ADDITIONAL				26,897,700	26,897,700	26,897,700	51,164,700	51,164,700	51,164,700
V. ADDITIONAL BUDGET ITEMS									
1 GB Teachers' Retirement System - 2006-2008 COLA									
ABR5600003	Provides funds for an additional 0.8% and 0.6% Cost of Living Adjustment for Retirees.								
General Fund				4,312,800	4,312,800	4,312,800	7,865,100	7,865,100	7,865,100
Project Total				4,312,800	4,312,800	4,312,800	7,865,100	7,865,100	7,865,100
2 GB Teachers' Retirement System - Medical Insurance Subsidy									
ABR5600009	Provides funds for subsidy for retirees under the age of 65 choosing couple, family or parent plus health insurance coverage.								
General Fund				8,262,300	8,262,300	8,262,300	9,116,400	9,116,400	9,116,400
Project Total				8,262,300	8,262,300	8,262,300	9,116,400	9,116,400	9,116,400

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Teachers Retirement System

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3	GB	Teachers' Retirement System - Supplemental Health Insurance									
ABR5600010		Provides funds for members over the age of 65 choosing couple, family or parent plus health insurance coverage.									
General Fund						50,000	50,000	50,000	50,000	50,000	50,000
Project Total						50,000	50,000	50,000	50,000	50,000	50,000
4	GB	Teachers' Retirement System - Medical Insurance Fund Stabilization									
ABR5600007		Provides funds to cover the cost of health insurance for members.									
General Fund						8,793,000	8,793,000	8,793,000	14,133,200	14,133,200	14,133,200
Project Total						8,793,000	8,793,000	8,793,000	14,133,200	14,133,200	14,133,200
5	GB	Teachers' Retirement System - State Fund Shortage - FY 2004									
ABR5600011		Provides funds for shortfall in the retirement match in fiscal year 2004.									
General Fund						3,650,800	3,650,800	3,650,800			
Project Total						3,650,800	3,650,800	3,650,800			
6	GB	Teachers' Retirement System - Medical Insurance Subsidy									
ABR5600012		Provides funds for shortfall in the subsidy for retirees under age 65 choosing family, parent plus, or couple health insurance plans. Shortfall was for the 2004-2006 fiscal biennium.									
General Fund						1,828,800	1,828,800	1,828,800			
Project Total						1,828,800	1,828,800	1,828,800			
7	GB	Teachers' Retirement System - Supplemental Funding									
ABR5600013		Provides funds to supplement pension system.									
General Fund									20,000,000	20,000,000	20,000,000
Project Total									20,000,000	20,000,000	20,000,000
TOTAL ADDITIONAL						26,897,700	26,897,700	26,897,700	51,164,700	51,164,700	51,164,700

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Teachers' Retirement System

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"State Retirement Obligations: Notwithstanding KRS 161.550, General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 to 161.716."

"Administrative Costs: In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund moneys are provided in fiscal year 2006-2007 or fiscal year 2007-2008 for the cost of administration."

"Amortization of Sick Leave: Included in the above General Fund appropriation is \$4,293,800 in fiscal year 2006-2007 and \$9,211,000 in fiscal year 2007-2008 to provide the cost of amortizing the requirements of KRS 161.155 (sick leave) for members retiring during the 2006-2008 fiscal biennium."

"Highly Skilled Educators' Retirement Benefits: Salary supplements received by persons selected as highly skilled educators on or after July 1, 2000, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled."

"Targeted Ad Hoc Cost-of-Living Increase for Retirees: Included in the above General Fund appropriation is \$4,312,800 in fiscal year 2006-2007 and \$7,865,100 in fiscal year 2007-2008 to enable cost-of-living adjustments effective July 1, 2006, to the annuities of those retirees most negatively affected by increases in the Consumer Price Index since their dates of retirement. The Teachers' Retirement System is authorized to devise a policy for calculation and distribution of the cost-of-living adjustments that takes into account the relative needs of those persons retired for the longest periods of time as well as the most effective and efficient administrative procedure for effecting the adjustments."

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Teachers' Retirement System

"Supplemental Health Insurance Funding: Included in the above General Fund appropriation is \$50,000 in each fiscal year to enable the retirement system to provide a subsidy for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan. The amount of the subsidy for those over age 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage."

"State Medical Insurance Fund Stabilization Contribution: Notwithstanding KRS 161.420 and 161.550, included in the above General Fund appropriation is \$8,793,000 in fiscal year 2006-2007 and \$14,133,200 in fiscal year 2007-2008 to amortize the cost of the State Medical Insurance Fund Stabilization Contribution."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not concur with the following language provision:

"Targeted Ad Hoc Cost-of-Living Increase for Retirees: Included in the above General Fund appropriation is \$4,312,800 in fiscal year 2006-2007 and \$7,865,100 in fiscal year 2007-2008 to enable cost-of-living adjustments effective July 1, 2006, to the annuities of those retirees most negatively affected by increases in the Consumer Price Index since their dates of retirement. The Teachers' Retirement System is authorized to devise a policy for calculation and distribution of the cost-of-living adjustments that takes into account the relative needs of those persons retired for the longest periods of time as well as the most effective and efficient administrative procedure for effecting the adjustments."

The House provides General Fund support totaling \$20,000,000 in fiscal year 2007-2008 to supplement the Kentucky Teachers' Retirement System pension fund.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to amend the following language provision:

"Supplemental Health Insurance Funding: Notwithstanding KRS 161.675(4)(a) included in the above General Fund appropriation is \$50,000 in each fiscal year to enable the retirement system to provide a subsidy from July 1, 2006, through December 31, 2007, for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan. The amount of

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Teachers' Retirement System

the subsidy for those over age 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage. The spousal subsidy is not subject to KRS 161.714."

"State Medical Insurance Fund Stabilization Contribution: Notwithstanding KRS 161.420 and 161.550, a portion of the state employer contribution in a sufficient amount shall be allocated to the Teachers' Retirement System Medical Insurance Fund instead of the State Accumulation Fund. Also included in the above General Fund appropriation is \$14,133,200 in fiscal year 2007-2008 to amortize the cost of the State Medical Insurance Fund Stabilization Contribution with the remainder to be amortized under the schedule set forth in KRS 161.553."

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Dependent Subsidy for Retirees under age 65: Notwithstanding KRS 161.675(4)(a), from July 1, 2006, through December 31, 2007, for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System shall pay the same dependent subsidy that Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy is not subject to KRS 161.714."

"Cost-of-Living Increase for Retirees: Included in the above General Fund appropriation is \$4,312,800 in fiscal year 2006-2007 and \$7,865,100 in fiscal year 2007-2008 to provide, when combined with the annual one and one-half percent retirement allowance increase as provided for under KRS 161.620, a total increase in retirement allowances of eligible system members and beneficiaries of two and three-tenths percent in fiscal year 2006-2007 and an additional two and one-tenths in fiscal year 2007-2008."

"Ad Hoc State Contribution: Included in the above General Fund appropriation is \$12,974,100 in fiscal year 2006-2007 and \$29,444,100 in fiscal year 2007-2008 for an ad hoc contribution to the State Accumulation Fund."

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include reauthorization of \$2,000,000 in Restricted Funds for the KTRS Pension Management System.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate deletes a Part I, Operating Budget, language provision as follows:

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Teachers' Retirement System

"Highly Skilled Educators' Retirement Benefits: Salary supplements received by persons selected as highly skilled educators on or after July 1, 2000, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled."

CONFERENCE REPORT

The Conference concurs with the House.

A - General Government

Capital Budget

Teachers Retirement System

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Restricted Funds

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 KTRS Pension Management System (Reauthorization - \$2,000,000 Restricted Funds)

PRJ5601461

Restricted Funds

Project Total

TOTAL CAPITAL

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A - General Government

Operating Budget

ANOC-Judgments

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	200,000	200,000	200,000						
Regular Total Funds	200,000	200,000	200,000						
Use of Continuing	211,300	211,300	211,300						
TOTAL FUNDS	411,300	411,300	411,300						
II. EXPENDITURE CATEGORY									
Operating Expenses	411,300	411,300	411,300						
TOTAL EXPENDITURES	411,300	411,300	411,300						
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	200,000	200,000	200,000						
Regular Total Funds	200,000	200,000	200,000						
Use of Continuing	211,300	211,300	211,300						
TOTAL BASE LEVEL	411,300	411,300	411,300						

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ANOC - Judgments

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that direct:

"Payment of Judgments and Carry Forward of General Fund Appropriation Balance: The above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941. Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at the end of fiscal year 2005-2006 or fiscal year 2006-2007 shall not lapse but shall be carried forward."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House does not provide funding for Judgments.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

A - General Government

Operating Budget

Appropriations Not Otherwise Classified (ANOC)

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
Regular Total Funds	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
Use of Continuing									
TOTAL FUNDS	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
II. EXPENDITURE CATEGORY									
Personnel Costs	7,785,000	7,785,000	7,785,000	285,000	285,000	285,000	285,000	285,000	285,000
Operating Expenses	3,755,000	3,755,000	3,755,000	3,630,000	3,630,000	3,630,000	3,630,000	3,630,000	3,630,000
Grants, Loans, Benefits	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL EXPENDITURES	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
Regular Total Funds	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500
Use of Continuing									
TOTAL BASE LEVEL	11,542,500	11,542,500	11,542,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500	3,917,500

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ANOC

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Funding Sources for Appropriations Not Otherwise Classified: Funds required to pay the costs of items included within the Appropriations Not Otherwise Classified are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act. The above appropriation is for the payment of: Attorney General Expense, Board of Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery, Police Officers and Firefighters Survivor Benefits, Medical Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds."

"Repayment of Awards or Judgments: Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under \$5,000 shall be paid from funds available for the operations of the agency."

"Guardian Ad Litem Fees: Included in the above appropriation is funding for fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed \$500."

"Reissuance of Uncashed Checks: Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370."

"Police Officers and Firefighters Survivors' Benefits: Funds are appropriated for payment of benefits for state and local police officers and firefighters in accordance with KRS 61.315 and 95A.070."

Fiscal Biennium 2006-2008
Budget Modification Report

04/08/06 9:30 AM

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The State/Executive Branch Budget Bill, Part I, Operating Budget provides expenditures by program within the Appropriations Not Otherwise Classified appropriation units as follows:

<u>Program</u>	<u>Fiscal Year 2006-2007</u>	<u>Fiscal Year 2007-2008</u>
Attorney General Expense	\$ 225,000	\$ 225,000
Board of Claims Awards	1,000,000	1,000,000
Guardian Ad Litem	7,500,000	7,500,000
Prior Year Claims	400,000	400,000
Unredeemed Checks	1,500,000	1,500,000
Involuntary Commitments	60,000	60,000
Frankfort In Lieu of Taxes	195,000	195,000
Frankfort Cemetery	2,500	2,500
Police & Firefighters Ins.	250,000	250,000
Medical Malpractice Ins. Reim.	185,000	185,000
Blanket Employee Bonds	100,000	100,000
Total Miscellaneous Appropriations	\$11,417,500	\$11,417,500

HOUSE REPORT

The House concurs with the Branch with the following change:

The House does not provide funding for the Guardian Ad Litem program.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

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